



Ministry of Education Effectiveness & Efficiency Review

Student Transportation Services of Waterloo Region

Phase 3 Review

November 2008

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The English version is the official version of this report. In the situation where there are differences between the English and French versions of this report, the English version prevails.

À noter que la version anglaise est la version officielle du présent rapport. En cas de divergences entre les versions anglaise et française du rapport, la version anglaise l'emporte.

Executive Summary

Introduction

This report details the findings and recommendations of an Effectiveness and Efficiency review (E&E Review) of Student Transportation Service of Waterloo Region (“STSWR” or the “Consortium”) conducted by a review team selected by the Ministry of Education. This review is the result of government initiatives to establish an equitable approach to reforming student transportation across the province and minimize the administrative burden for school boards associated with providing safe, reliable, effective, cost efficient transportation services. This section of the report is designed to provide an overall assessment of the Consortium and detail the findings and recommendations of the overall report that were particularly noteworthy. These major findings and recommendations are enhanced and supplemented by the specific findings and recommendations detailed in each section of the body of the report.

The E&E Review evaluated the Consortium’s performance in four specific areas of operation including consortium management; policies and practices; routing and technology use; and contracting practices. The purpose of reviewing each of these areas was to evaluate current practices to determine if they are reasonable and appropriate; identify whether the Consortium has implemented any best practices; and provide recommendations on opportunities for improvement in each of the specific areas of operation. The evaluation of each area was then utilized to determine an overall rating for the Consortium that will be used by the Ministry to determine any in-year funding adjustments that may be provided.

Effectiveness and Efficiency review summary

The Waterloo Catholic District School Board (WCDSB) and Waterloo Region District School Board (WRDSB) have a combined enrolment of approximately 86,000 students and provide daily transportation service to approximately 25,000 students and 1,700 special needs students. The district covers approximately 1,800 square kilometers and includes 180 schools. STSWR also provides transportation to le Conseil scolaire de district catholique Centre-Sud (CSDCCS).

Despite the presence of some rural areas in the south-west of the region, the geographic area covered by the Consortium is predominately urban. The jurisdiction of the consortium stretches from Woolwich Township in the north to North Dumfries Township in the south as well as from Wilmot Township in the west to Wellington County in the east.

STSWR has accomplished several of the key steps necessary in order to fulfill its mandate as a student transportation Consortium. Notable achievements include:

- *Separate legal entity* – Establishment of an operation that is legally separated from the Partner Boards. The Board of Directors that oversee the Consortium has equal representation from each Partner Board which promotes fairness and equal participation in decision making and ensures the rights of the stakeholders are considered equally;
- *Purchase of service agreement/Support Services* – There are purchase of services agreements in place between STSWR and each of the School Boards, as well as GEOREF Systems Limited, that outline the support services to be provided by each Board and GEOREF and the manner in which the suppliers are to be compensated for these services. Additionally, STSWR has a contract with CSDCCS that outlines the transportation services to be provided by STSWR;
- *Operator Contracts* – Standardized contracts for all operators are signed.
- *Documented Cost Sharing Agreement* – The Consortium Agreement outlines the cost sharing mechanism for STSWR. A documented and fair methodology for cost sharing helps to ensure accountability over costs and appropriate operational cash flow for the financial obligations of the Consortium; and
- *Transportation software* – STSWR uses a fully implemented and functional transportation software application that allows for the development, review, and analysis of existing and alternative routing strategies. Complete and accurate map data is maintained through a unique contractual approach with the transportation software vendor and by choosing a type of application that allows for regular map updates with limited impact on map attributes and student data elements. Additionally, procedures have been established to obtain information on necessary map attribute changes from multiple sources.

Based on our findings from the E&E review, the primary opportunities for improvements are:

- *Organization of Entity* – While the documented organizational structure reflects clear lines of reporting and functional areas of the Consortium, in practice, staff and management are still unsure of reporting relationships and areas of responsibility. We encourage STSWR to actively establish and communicate clear areas of responsibility and reporting. This will help to ensure no issues or responsibilities are missed, and will allow staff to take greater ownership of work;

- *Long Term and Short Term Planning* – As the Consortium is newly formed, a process to develop the goals and objectives of the Consortium, including implementation plans, should be undertaken to ensure the significant momentum gained by the Consortium in the last year continues to drive continued success into 2009 and beyond;
- *Consolidated Policy Manual* – The Consortium should develop and adopt a consolidated policy manual for transportation services that includes new administrative procedures such as purchasing policies, hours of work, travel policies etc. The Consortium has laid the foundation for the consolidation of policies by the development of handbooks containing policies and practices in common for each of the Boards. A review of current policies and practices, with a resulting incorporation into one operating manual that reflects key policies, operating practices, and management requirements, is recommended as a critical step in the Consortium’s goal of achieving maximum operational efficiency and service effectiveness;
- *Evaluate courtesy and grandfathering practices* – Many instances of “grandfathered” practices were explained during the interviews of staff including the long term practice of grandfathered transportation zones. These services should be fully evaluated to determine both the direct cost and also the hidden impact and costs on the overall routing network. This analysis may result in cost and or service improvements for both Boards;
- *Related Software* – STSWR should accelerate its planned technology initiatives including the redesign of its current website, the implementation of Integrated Voice Response (IVR) and the further integration of *GeoQuery*. The full implementation of these initiatives will improve both access to student data and enhance the presence of the STSWR brand.
- *Procurement Policies* – Well defined rules and conditions for the acquisition of goods and services support effective internal control within the consortium. In adapting the policies of the Waterloo Catholic District School board, the Board of Directors and Consortia Management Committee should ensure it aligns to the needs of the consortium and determine if any modifications are required. The established consortium policies should be clearly communicated to consortia staff in order to guide all purchasing decisions and processes. Adherence to policies and guidelines will ensure accountability in procurement decision making, safeguard consortium’s interests as well as make sure that the process is open, fair and transparent

- *Competitive procurement process* – A competitive procurement process brings fairness, impartiality, and transparency to any procurement exercise and will allow the Consortium to purchase services from Operators that are able to meet specific requirements. Using a competitive procurement process will provide the Consortium with the opportunity to obtain the best value for their money and set service level expectations. Furthermore, this process will reflect market prices as it allows Operators to submit proposals based on achievable operational efficiency and an appropriate return on investment, with full knowledge of the service level requirements as specified by the Consortium. Additionally, it provides a fair and measurable basis for evaluating Operator performance and allows the Consortium to utilize financial incentives to meet desired service levels. If there are areas within the Consortium geography where this process may not be appropriate, the Consortium can use the competitively procured contracts as a proxy for service levels and costs negotiated with the Operators. Based on Ministry's direction as communicated through numbered memorandum 2008:B15 of December 10, 2008, the Consortium should start developing an implementation plan for competitive procurement. A plan should include a review of existing procurement policies, an analysis of the local supplier market, strategies to help determine the RFP scope and process and a criteria and timeline to phase-in competitive procurement. The plan should also utilize the best practices and lessons learned from the pilot Consortia.
- *Monitoring* – Ongoing monitoring of compliance and performance of contracted service is an important and valuable practice to enhance service levels. Monitoring should be performed proactively and on a regular and ongoing basis in order to be effective. A monitoring regime would better ensure that contractors are providing the level of services agreed to in the contract.

The best practices that STSWR has established are indicative of the momentum that the Consortium has gained since its formal establishment. Implementation of the proposed recommendations and the ongoing use of the best practices identified throughout the body of the report will facilitate the continued evolution of STSWR to a consortium that is highly effective and efficient.

Funding adjustment

As a result of this review, STSWR has been rated as a **Moderate-Low** Consortium. Based on this evaluation, the Ministry will provide additional transportation funding that will narrow the 2008-09 transportation funding gap for the Waterloo Catholic District School Board (WCDSB), the Waterloo Region District School Board (WRDSB) and the

Conseil scolaire de district catholique Centre-Sud (CSDCCS). The funding adjustments to be received are detailed below¹:

Waterloo Catholic District School Board	\$30,406
Waterloo Region District School Board	\$267,096
Conseil scolaire de district catholique Centre-Sud	\$28,908

¹ Refer to Section 7 for the calculation of funding adjustments.

1 Introduction

1.1 Background

1.1.1 Funding for student transportation in Ontario

The Ministry provides funding to Ontario's 72 school boards for student transportation. Under Section 190 of the *Education Act* (Act), school boards "may" provide transportation for pupils. If a school board decides to provide transportation for pupils, the Ministry will provide funding to enable the school boards to deliver the service. Although the Act does not require school boards to provide transportation service, all school boards in Ontario provide service to eligible elementary students and most provide service to eligible secondary students. It is a school board's responsibility to develop and maintain its own transportation policies, including safety provisions.

In 1998-1999, a new education funding model was introduced in the Province of Ontario outlining a comprehensive approach to funding school boards. However, a decision was made to hold funding for student transportation steady, on an interim basis, while the Ministry worked to develop and implement a new approach. From 1998-1999 to 2008-2009, an increase of over \$247 million in funding has been provided to address increasing costs for student transportation, such as fuel price increases, despite a general decline in student enrolment.

1.1.2 Transportation reform

In 2006-07, the government began implementing reforms for student transportation. The objectives of the reforms are to build capacity to deliver safe, effective and efficient student transportation services, achieve an equitable approach to funding and reduce the administrative burden of delivering transportation, thus allowing school boards to focus on student learning and achievement.

The reforms include a requirement for Consortium delivery of student transportation services, effectiveness and efficiency reviews of transportation Consortia, and a study of the benchmark cost for a school bus incorporating standards for safe vehicles and trained drivers.

1.1.3 The formation of school transportation consortia

Ontario's 72 school boards operate within four independent systems:

- English public;

- English separate;
- French public; and
- French separate.

As a result, a geographic area of the province can have as many as four coterminous school boards (i.e. boards that have overlapping geographic areas) operating schools and their respective transportation systems. Opportunities exist for coterminous school boards to form Consortia and deliver transportation for two or more coterminous school boards in a given region. The Ministry believes in the benefits of Consortia as a viable business model to realize efficiencies. This belief has been endorsed by the Education Improvement Commission in 2000 and proven by established Consortium sites in the province. Currently, the majority of school boards cooperate to some degree in delivering transportation services.

Cooperation between boards occurs in various ways, including:

- One school board purchasing transportation service from another in all or part of its jurisdiction;
- Two or more coterminous school boards sharing transportation services on some or all of their routes; and
- Creation of a Consortium to plan and deliver transportation service to students of all partner school boards.

Approximately 99% of student transportation service in Ontario is provided through contracts between school boards or transportation Consortia and private transportation Operators. The remaining 1% of service is provided using board-owned vehicles used to complement services acquired through contracted private Operators.

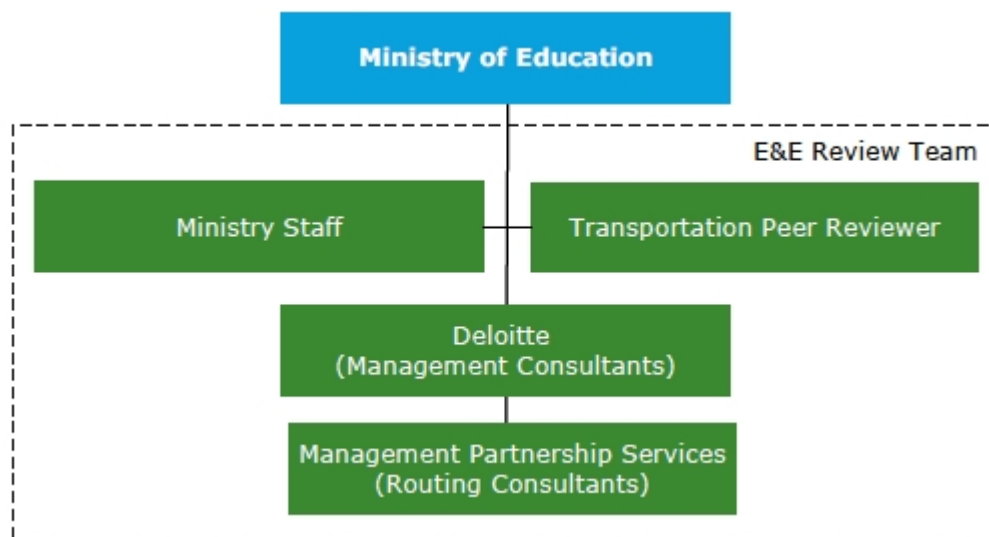
1.1.4 Effectiveness and Efficiency review

According to the Ministry Consortium guidelines, once a Consortium has met the requirements outlined in memorandum SB: 13, dated July 11, 2006, it will be eligible for an E&E review. This review will be conducted by the E&E Review Team who will assist the Ministry in evaluating consortium management, policies and practices, routing and technology, and contracts. These reviews will identify best practices and opportunities for improvement, and provide valuable information that can be used to inform future funding decisions. The Ministry has established a multi-phase approach to review the performance of consortia (collectively the “E&E Reviews”) across the province.

1.1.5 The E&E Review Team

To ensure that these reviews are conducted in an objective manner, the Ministry has formed a review team (the “E&E Review Team” as defined in Figure 1) to perform the E&E Reviews. The E&E Review Team was designed to leverage the expertise of industry professionals and consulting firms to evaluate specific aspects of each consortium site. Management consultants were engaged to complete assessments on consortium management, and contracts. Routing consultants were engaged to focus specifically on the acquisition, implementation, and use of routing software and related technologies and on policies and practices. The Transportation Peer Reviewer has provided the E&E Review Team with valuable insight into student transportation delivery in Ontario.

Figure 1: E&E Review Team



1.2 Scope of Deloitte engagement

Deloitte was engaged to lead the Team and serve as the Management Consultants of the E&E Review Team. Deloitte’s overall role is as follows:

- Lead the E&E Review for all 18 transportation Consortia to be reviewed in Phases Three and Four (currently in phase 3A);
- At the beginning of each E&E Review, convene and moderate planning meetings to determine data required and availability prior to the review;
- Lead the execution of each E&E Review. The Ministry facilitated the process by providing the Consortium with information required in advance so that

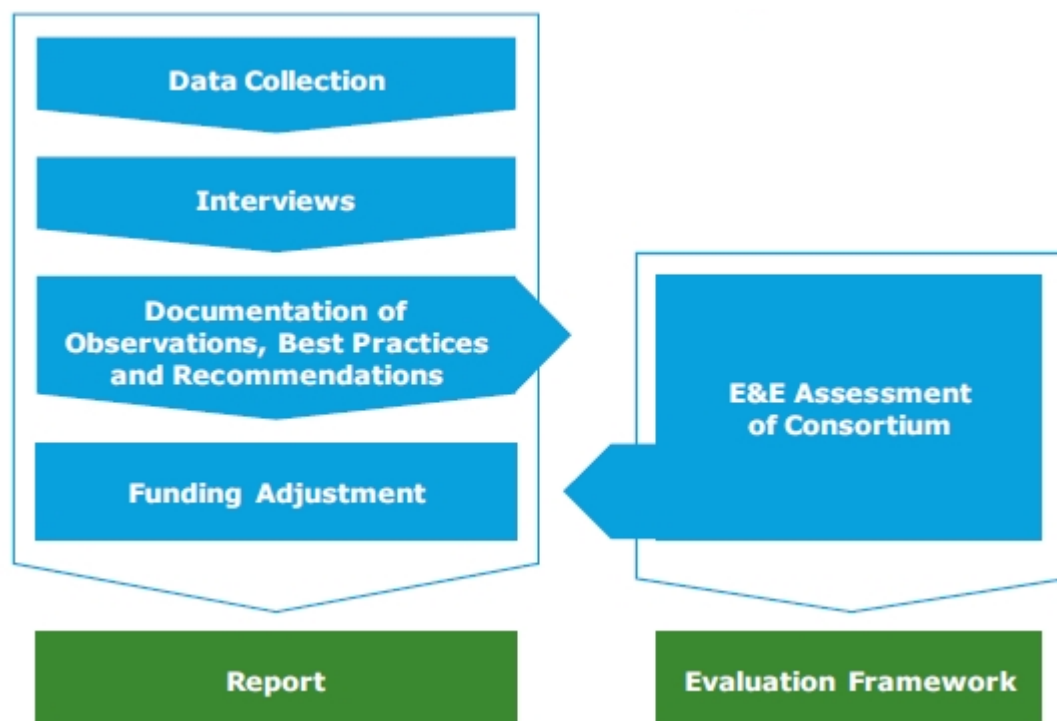
preparation and collection of information would be done prior to the on-site review;

- Review Consortium arrangement and governance structures, and contracting procedures;
- Incorporate the results of the routing and technology review in addition to the policies and practices review to be completed by MPS; and
- Prepare a report for each Consortium which has undergone an E&E Review in Phases three and four. The target audience for the report will be the Ministry, the Consortium, and its Partner Boards. Once finalized, each report will be released to the Consortium and its Partner Boards.

1.3 Methodology used to complete E&E review

The methodology for the E&E Review is based on a five step approach, as summarized in the following sections.

Figure 2: E&E Review Methodology



A site review Report which documents the observations, assessments and recommendations is produced at the end of a site review. The Evaluation Framework,

which provides the details on how the Assessment Guide was applied to reach an Overall Rating of each review site, has been developed to provide consistency.

1.3.1 Step 1 – data collection

Each Consortium under review was provided with the E&E Guide from the Ministry of Education. This guide provides details on the information and data needs that the E&E review team would require, and the E&E Guide will become the basis for the data collection.

Data is collected in four main areas:

1. Consortium Management;
2. Policies and Practices;
3. Routing and Technology; and
4. Contracts.

1.3.2 Step 2 – Interviews

The E&E Review Team identified key Consortium staff, outside stakeholders and key policy makers with whom interviews would be conducted to further understand the operations and key issues impacting delivery of effective and efficient student transportation services.

1.3.3 Step 3 – Documentation of observations, best practices and recommendations

Based on data collected and interviews conducted, the E&E Review Team documented their findings under three key areas:

- Observations which involved fact based findings of the review, including current practices and policies;
- Best Practices used by the Consortium under each area; and
- Recommendations for improvements based on the Assessment Guide. A summary of the key criteria used in the Assessment Guide to determine the effectiveness and efficiency of each Consortium are given below:

Effectiveness

Consortium management

- Distinct entity focused on providing student transportation services for the partner boards
- Well defined governance and organizational structure with clear roles and responsibilities
- Oversight body exists with the mandate to provide strategic directions to the consortium management on the provision of safe, effective and efficient transportation service to support student learning
- Management has communicated clear goals and objectives of the Consortium and these are reflected in the operational plan
- Well established accountability framework reflected in the set up and operation of the consortium including documentation of terms in a Consortium Agreement
- Operations are monitored for its performance and continuous improvement
- Financial processes ensure accountability and equality to Partner Boards
- A budgeting process is in place which ensures timely preparation and monitoring of expenses
- Key business relationships are defined in contracts

Policies and Practices

- Development of policies is based on well defined parameters as set by strategic and operational plans to provide safe, effective and efficient transportation service to students of the partner boards; and
 - Policy decisions are made with due considerations to financial and service impacts to partner boards
 - Communication between the consortium and partner boards facilitates informed decision making on issues directly affecting student transportation
 - Consortium's policies and practices are adequate and in compliance with all relevant safety regulation and standards

- Practices on the ground follow policies

Routing and Technology

- Advanced use of transportation management software to store student data, and create a routing solution.
- Disaster recovery plans and back up procedures are in place and operating properly
- Responsibility and accountability for student data management is clearly identified
- Routing is reviewed regularly
- Reporting tools are used effectively
- Special needs routing is integrated with regular needs where reasonable

Contracts

- Competitive contracting practice is used
- Contract negotiations are transparent, fair, and timely
- Contracts are structured to ensure accountability and transparency between contracted parties
- Contracts exist for all service providers
- Ongoing compliance checks for safety, legal and service requirements are performed by the consortium

Efficiency

Consortium management

- Oversight committee focuses only on high level decisions
- Organizational structure is efficient in utilization of staff
- Streamlined financial and business processes
- Cost sharing mechanism are well defined and implemented

Policies and Practices

- Harmonized transportation policies between partner boards enable efficient planning
- Proper level of authority delegated to consortium to enable the realization of potential efficiencies e.g. bell times setting
- Best practices in planning are adopted e.g. utilize tiered runs and combination runs to maximize the use of available capacity
- Public transit usage is optimized where available and efficient
- Service levels are reasonable and comparable to common practices

Routing and Technology

- System can be restored quickly if database fails
- Student data is accurate, requires little post processing verification
- System functionalities are used to identify efficiencies

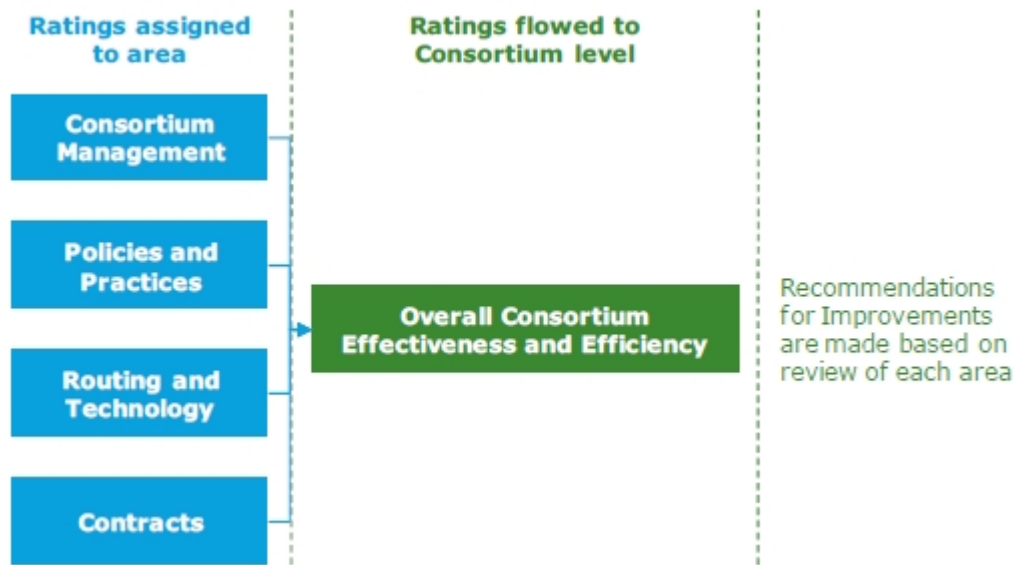
Contracts

- Contracts awarded are based on market prices and best value for money
- Fair payment terms are included in contracts and implemented with clarity to both parties

1.3.4 Step 4 and 5 – E&E assessment of consortium and site report

The Assessment Guide was developed to enable the E&E Review Team to provide each Consortium that undergoes an E&E Review with a consistent, fair, and transparent method of assessment. The Assessment Guide is broken down between the four main components of review (i.e. Consortium Management, Policies and Practices, Routing and Technology, and Contracts) and, for each, illustrates what would constitute a specific level of E&E (refer to Figure 3 for diagram of process).

Figure 3: Assessment of Consortium – Diagram Flow



The Evaluation Framework provides details on how the Assessment Guide was applied, including the use of the Evaluation Work Sheets, to arrive at the final Overall Rating. The E&E Review Team then compiled all findings and recommendations into an E&E Review Report (i.e. this document).

1.3.5 Funding adjustment

The Ministry will use the results of the E&E reviews to inform any future funding adjustments. Only Boards that have undergone E&E Reviews are eligible for a funding adjustment. Figure 4 illustrates how the Overall Rating will affect a Board's transportation expenditure-allocation gap.

Table 1: Funding Adjustment Formula

Overall Rating	Effect on deficit boards²	Effect on surplus boards²
High	Reduce the gap by 100% (i.e. eliminate the gap)	No in-year funding impact; out-year changes are to be determined
Moderate-High	Reduce the gap by 90%	Same as above
Moderate	Reduce the gap by 60%	Same as above
Moderate-Low	Reduce the gap by 30%	Same as above
Low	Reduce the gap in the range of 0% to 30%	Same as above

1.3.6 Purpose of report

This Report serves as the deliverable for the E&E Review conducted on STSWR by the E&E Review Team during the week of November 19, 2008.

1.3.7 Material relied upon

Refer to Appendix 3 for a list of documents that the E&E review team relied upon for their review. These documents were used in conjunction with interviews with key Consortium staff, outside stakeholders, and key policy makers.

1.3.8 Limitations on use of this report

The purpose of this Report is to document the results of the E&E Review of STSWR. The E&E Review is not of the nature or scope so as to constitute an audit made in accordance with generally accepted auditing standards. Therefore, as part of this E&E Review, Deloitte has not expressed an opinion on any financial statements, elements, or accounts to be referred to when reporting any findings to the Ministry. Additionally, procedures used by the E&E Review Team are not intended to disclose defalcations, system deficiencies, or other irregularities.

² This refers to boards that have a deficit/surplus on student transportation (see Section 7 – Funding Adjustments)

2 Overview of Consortium

2.1 Introduction to STSWR

The Waterloo Catholic District School Board (WCDSB) and Waterloo Region District School Board (WRDSB) are the Partner Boards of STSWR. The Conseil scolaire de district catholique Centre-Sud (CSDCCS) purchases transportation services from the STSWR. WCDSB and WRDSB have a combined enrolment of approximately 86,000 students and provide daily transportation service to approximately 25,000 students and 1,700 special needs students. The Consortiums services cover approximately 1,800 square kilometers and include 180 schools. Transportation for students is provided through a combination of school bus operators, taxis and public transit.

Table 2: 2007-08 Transportation Survey Data

Item	WRDSB	WCDSB	CSDCCS ³	Total Consortium
Number of schools served	115	52	4	171
Total general transported students	9,166	5,729	773	15,668
Total special needs ⁴ transported students	1,050	102	-	1,152
Total riders requiring wheelchair accessible transportation	151	23	10	184
Total specialized program ⁵ transportation	1,008	11	-	1,019
Total courtesy riders	337	-	-	337
Total hazard riders	2,345	984	-	3,329
Total students transported daily	14,057	6,849	793	21,699
Total Public Transit Riders	834	3,026	-	3,860
Total contracted full- and mid-sized	156	102	0	258

³ Data for CSDCCS is for the portion of the board serviced by STSWR

⁴ Includes students requiring special transportation such as congregated and integrated special education students who require dedicated routes and/or vehicles; students who must ride alone; students who require an attendant on the vehicle.

⁵ Includes students transported to french immersion, magnet and gifted programs. Students with special needs who are transported to specialized programs are captured as special needs transported students.

Item	WRDSB	WCDSB	CSDCCS ³	Total Consortium
buses ⁶				
Total contracted mini-buses	57	-	0	57
Total contracted school purpose vehicles ⁷	36	-	1	37
Total contracted physically disabled passenger vehicles (PDPV)	33	17	2	52
Total contracted taxis	146	70	31	247
Total Number of Contracted Vehicles	428	189	28	645

Table 3: 2007-08 Financial Data⁸

Item	WRDSB	WCDSB	CSDCCS
Transportation Allocation	\$11,662,473	\$6,400,244	\$15,419,952
Transportation Expenditure	\$12,552,793	\$6,501,598	\$16,648,767
Transportation Surplus (Deficit)	(\$890,320)	(\$101,354)	(\$1,228,815)
Percentage of transportation expenditure attributed to STSWR Student Services Consortium	100%	100%	7.84%

⁶ Includes full-sized buses, mid-sized buses, full-sized buses adapted for wheelchair use and mid-sized buses adapted for wheelchair use; all vehicle counts are rounded to the nearest whole number.

⁷ Includes school-purpose vans, mini-vans and sedans.

⁸ Based on Ministry Data – see Appendix 2.

3 Consortium Management

3.1 Introduction

Consortium Management encompasses the management of the entire organization providing student transportation services. The analysis stems from a review of the four key components of Consortium Management:

- Governance;
- Organizational Structure;
- Consortium Management; and
- Financial Management.

Each component has been analyzed based on information provided by the STSWR Consortium, and from information collected during interviews with the Transportation Manager and selected Operators. The analysis included an assessment of best practices leading to a set of recommendations. These results are then used to develop an E&E assessment for each component, which is then summarized to determine an E&E assessment of Consortium Management as shown below:

Consortium Management – E&E Rating: Moderate-Low

3.2 Governance

Governance refers to the way in which an organization is directed and controlled. Establishing administrative structures and processes which facilitate and monitor effective business management are primary responsibilities of a governance structure. Three key principles for an effective governance structure are as follows: accountability, transparency, and the recognition of stakeholders. In order to respect these three principles, it is important that the governance body be independent of the management of day-to-day operations.

3.2.1 Observations

Governance structure

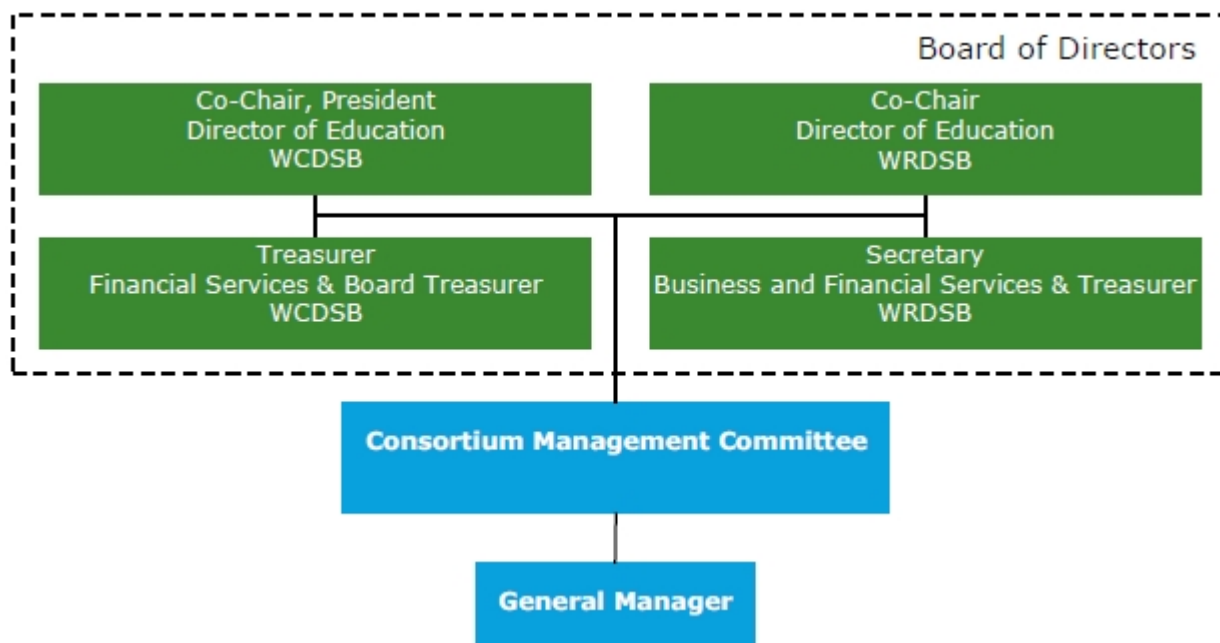
STSWR operations are overseen by a Board of Directors and Consortium Management Committee (CMC). The organizational structure has been outlined to the Review team by the General Manager. It is not clearly documented either in the Consortium Agreement or in the articles of incorporation.

The Board of Directors meets quarterly with pre-established agendas for each of the meetings. Minutes are taken and recorded for the meetings. It is the intention of the General Manager to have the minutes verified at each subsequent Board meeting; however, as there has only been one meeting to date, there is no evidence of meeting minute ratification. The Board of Directors is not involved in the day to day management of the Consortium. The role of Chair on the Board of Directors alternates annually between the two Directors of Education. This co-chairmanship rotates annually. The Board of Directors as a governing body, and its roles and responsibilities, are not clearly documented.

The Board of Directors has equal representation from both WCDSB and WRDSB and consists of four members:

- Director of Education, WCDSB – President
- Director of Education, WRDSB – Co-Chair
- Financial Services & Board Treasurer, WCDSB – Treasurer
- Business and Financial Services & Treasurer, WRDSB – Secretary.

Figure 5: Governance Organizational Chart



The CMC consists of five members:

- Financial Services & Board Treasurer, WCDSB
- Business and Financial Services & Treasurer, WRDSB
- Senior Manager of Financial Services, WCDSB
- Controller of Facility Services WRDSB (Position currently open)
- General Manager, STSWR – Secretary (Non-voting)

The CMC meets monthly and formal meeting minutes are kept, however, these are not ratified. As two members of the CMC also sit on the Board of Directors, they provide a communication link between the Board of Directors and Management. The CMC is not involved in the day to day management of the Consortium except as issues are escalated to them. The organization chart reflects clear lines of reporting; however there is uncertainty around functional responsibilities as well as the roles and responsibilities of the Board of Directors and the CMC.

Board level mediation and arbitration clause

The Consortium Agreement outlines the dispute resolution policy. Any unresolved disputes between Partner Boards are to be referred to a mediator who is selected by the General Manager. In the event mediation fails, the dispute is to be referred to arbitration. An arbitrator is to be jointly selected by the Partner Boards. The award or determination of the arbitrator is final and binding with no appeals allowed.

3.2.2 Best practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Equal representation

The Board of Directors has equal representation and membership from each School Board. Equal representation promotes fairness and equal participation in decision making and ensures the rights of each Board are considered equally. This is a key element in effective governance and management;

Board of Director's meetings

The Board of Directors meets four times a year and requires both a formal agenda and minutes in a public forum, making the Consortium accountable and transparent to its stakeholders; and

Dispute resolution

A dispute resolution policy is outlined in the Consortium agreement detailing the process to followed should a dispute arise between partner Boards. The policy is an effective mechanism to protect the rights of the Boards. It ensures that the decisions made represent the best interests of both Boards.

3.2.3 Recommendations

Governance Committee meetings

Decisions made by the Board of Directors are generally communicated to the CMC and Consortium Management through the documentation of minutes from the Board of Directors' meetings. However, we would encourage STSWR to follow through on their intention to ratify meeting minutes. A signature should be obtained from the Board President and a record of the official minutes of the meeting should be retained by the person acting in the role of secretary for the meetings. In addition to the documentation and ratification of Board meeting minutes, it is equally important that CMC meeting minutes be ratified to ensure consistent and formal communication both with the Board of Directors and Consortium Management.

Roles and responsibilities

Roles and responsibilities for the Board of Directors and CMC need to be clarified in the Consortium Agreement, articles of incorporation and the Consortium by-laws, and then clearly articulated to all parties involved. This will help to ensure that there is no ambiguity in the function of the Board of Directors or the CMC and that Consortium Management are fully aware of the scope and limitations of their responsibilities and authorities.

3.3 Organizational structure

An organizational structure can have the power to provide for effective communication and coordination which will enable operations to run efficiently. The roles and responsibilities within the organization should be well defined. This will lead to operational efficiencies by ensuring tasks are not being duplicated and issues raised can be addressed effectively by managing up the chain of command. Ideally the organization is divided functionally (by department and/or area) and all core business functions are identified.

3.3.1 Observations

Entity status

In February 2008, the Consortium was incorporated through an executed Consortium Agreement dated February 27, 2008. The incorporation by-laws have not yet been executed by the Consortium. Between 1997 and the date of incorporation, the Consortium operated as a transportation cooperative.

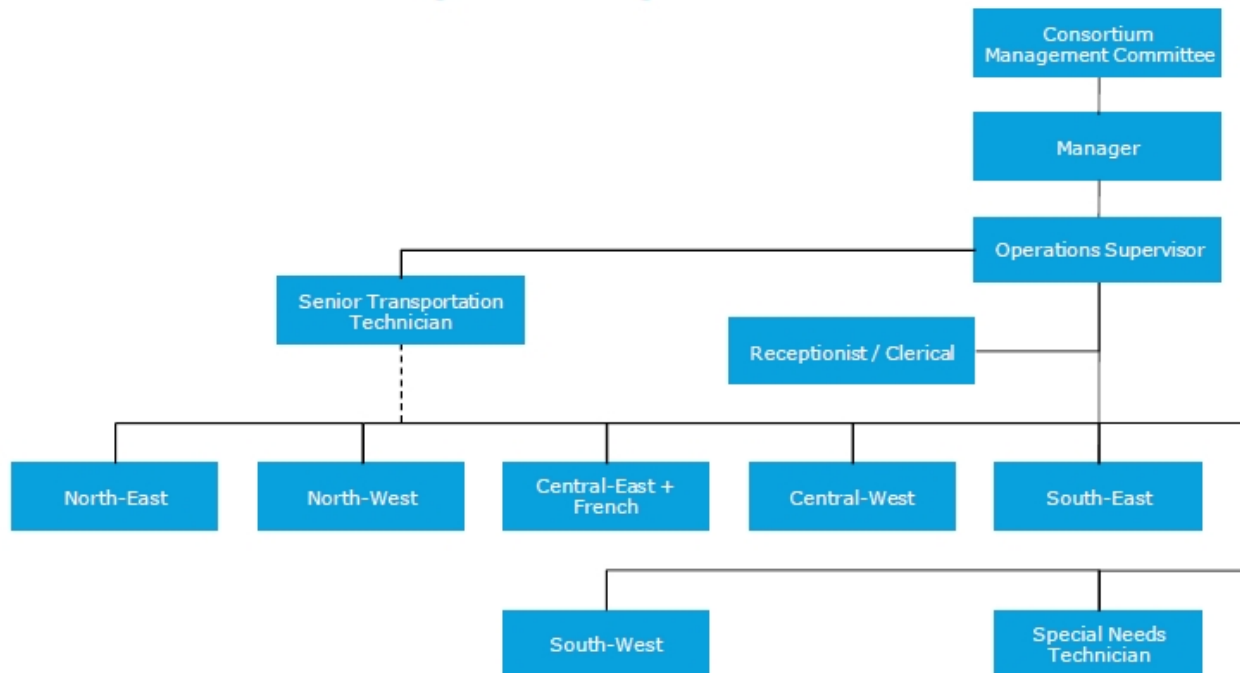
Currently STSWR shares office space with the Waterloo District School Board in Kitchener, Ontario. The Consortium has however, located new office space and will be moving to its new location at start of 2009. The new office space will be leased from a third party under arm's length commercial terms. The lease is for a ten year term with five year renewal terms thereafter. At the time of the review the lease was undergoing legal review and was expected to be signed in mid-December 2008. The leasing offer was signed by the General Manager; the lease will be signed by the President of the Board of Directors.

Organization of entity

A General Manager that reports to the CMC leads the Consortia team. The team consists of 6 Transportation Technicians who are assigned a geographic region of responsibility and a special needs technician. The Transportation Technicians report to the Operations Supervisor. The Senior Transportation Technician supports the Transportation Technicians but does not have managerial responsibilities. The Operations Supervisor reports directly to the General Manager. The team is supported by a receptionist/clerical assistant.

The major responsibilities and duties of each management and staff position are outlined in job posting/position profile documents along with required qualifications. No further documentation regarding roles, responsibilities or job descriptions are in place. Consortium employees have recently transferred their employment from their respective School Board to STSWR. These employees remain members of a collective bargaining unit. Through the "sale of business" all employees carried their union rights to STSWR; however since two different unions were representing employees doing the same work for the same employer, a successor union needed to be appointed through the Ministry of Labor. A successor union was selected which now represents all employees below the level of supervisor. Only one collective agreement remains in application.

Figure 6: STSWR Organizational Chart



3.3.2 Best practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Separate legal entity

STSWR is incorporated as a non-share capital corporation. This structure provides the Consortium with independence in terms of managing daily operations and also provides contractual benefits. As a separate legal entity, the Consortium can enter into binding legal contracts, including with bus operators, for all services purchased, and as such is limiting liability to the Consortium and in turn limiting liability to the School Boards.

3.3.3 Recommendations

Entity status

It is imperative that STSWR works to obtain the signatures and thereby execute the incorporation by-laws. This document is fundamental to the formation of the Consortium structure and defining the roles and responsibilities of Consortium Board of Directors, CMC and Consortium Management.

Organization of entity

While the documented organizational structure reflects clear lines of reporting and functional areas of the Consortium, in practice, staff and management are new to this organizational set up and are still unsure of reporting relationships and areas of responsibility. We understand that the Consortium team is very new and these details will become solidified with time but encourage STSWR to actively establish and communicate clear areas of responsibility and reporting to ensure no issues or responsibilities are missed and allow staff to take ownership of work. Appropriate delegation of responsibility will also ensure that senior management i.e. the General Manager and Operations Supervisor has sufficient time to focus on appropriate issues and responsibilities.

Job descriptions

Clear, detailed and updated job descriptions should be defined for all positions within the Consortium ensuring that staff can efficiently execute on their daily duties and help to ensure a smooth transition in the event of staff turnover. Job description should make reference to actual operational responsibilities and support appropriate segregation of duties.

3.4 Consortium management

Consortium Management focuses on the operational aspects of the organization. This includes ensuring accountability of staff, focusing on continual improvement through operational planning, and risk management by having appropriate contracts and agreements in place to clearly define business relationships.

3.4.1 Observations

Consortium formation and agreement

A Consortium may exist in practice; however it is only by defining the terms of the arrangement that a Consortium becomes truly effective. This is due to the fact that a large part of a Consortium's ability to function well is based on its members and the staff operating the Consortium. A well defined Consortium agreement will ensure that the operations will remain consistent and intact in the future. It also reduces the chances of a misunderstanding and/or conflict between WCDSB and WRDSB.

An executed Consortium Agreement dated February 27, 2008 as well as the articles of incorporation will form the legal and contractual foundation for the Consortium once the by-laws are executed. The bylaws attached to the incorporation documentation outline

the governance structure and membership of the corporation, although the governance structure outlined is not consistent with the Consortium Agreement.

Cost sharing

The Consortium Agreement outlines the cost sharing mechanism for STSWR. The WCDSB and WRDSB split all management costs equally. Administration costs are apportioned based on the number of students transported by each School Board based on the average number of students transported on Oct 31st and March 31st of the school year. Transportation costs are apportioned between School Boards based upon the route costs allocated to each board. Route costs are apportioned to each School Board as follows:

- Non-shared routes: the School Board responsible for the route will pay the direct cost of the route;
- For public transit: the direct cost of transit is the responsibility of the School Board; and
- For routes shared between the Boards: the cost to each School Board shall be based on the number of kilometers on a given run multiplied by the cost of a weighted kilometer for that run.⁹

Purchase of service agreements

STSWR has executed purchase of service agreements with each of the School Boards that outline the contractual terms and costs under which STSWR obtains various services from each of the School Boards. Except for the appendices describing the services to be provided, the agreement is consistent between both School Boards, is valid for a one year period and is automatically renewed from year to year. The agreement outlines payment terms, dispute resolution and confidentiality of information.

The following services are provided by WCDSB to STSWR:

- Human Resource services including union negotiation support;
- Payroll services;
- Purchasing services;
- Accounting and Accounts Payable services; and

⁹ As per the Consortium Agreement. Weightings detailed in later sections.

- Planning services.

The following services are provided by WRDSB to STSWR:

- Human Resource services including union negotiation support;
- IT Services;
- Planning services; and
- Cell phone service.

STSWR has a contract with GEOREF Systems Limited dated September 25th 2008 for the provision, support and appropriate training of *BusPlanner* transportation software. The contract includes a dispute resolution and confidentiality of information clause. The contract is renewed annually and can be discontinued on the anniversary date with 30 days notice.

STSWR currently provides transportation services to le Conseil scolaire de district catholique Centre-Sud (CSDCCS). This service is provided based on a signed contract from 2006, which was extended in 2007 to cover the 2008/2009 school year. At the time of the review it was not clear if STSWR and CSDCCR would be renewing this contract for the 2009/2010 school year.

There are no contracts in place between STSWR and the Partner Boards outlining the terms of agreement by which STSWR provides transportation services.

Procurement policies

WCDSB provides purchasing services to STSWR. As such, the Management Committee has adopted the procurement policies of the WCDSB as its own.

Banking

STSWR has a separate banking account from the Partner Boards. All STSWR banking services (such as the issuing of cheques) are provided by WCDSB.

Insurance

STSWR has obtained Liability, Crime, Property and Errors and Omissions Insurance from OSBIE (Ontario School Board Insurance Exchange). Current policies are effective from September 1, 2007 to January 1, 2009. The process to renew the Consortium's insurance for the new year is underway.

Staff performance evaluation, training, and management

As the Consortium has only recently been established, there is currently no formal employee performance evaluation program. The General Manager and Operations Supervisor are working to establish a formal goal setting and performance evaluation process for employees, the beginnings of which are evidenced by an employee “Development Plan” template.

Employees are still eligible to take general computer and skills training through the Partner Boards and in addition, several employees are working to complete the OASBO Pupil Transportation Diploma Program.

Long term and short term planning

As this is the first year that the General Manager has been in place, no formal long term or short planning process is in place. The General Manager was presented a list of 10 priority tasks upon his acceptance of the General Manager position; the Consortium staff under the guidance of the GM have been working to realize those tasks and short term priorities. The General Manager recognizes that strategic planning is important to ensure the long term success of the Consortium and its importance in providing effective, efficient, safe and reliable transportation services to students.

Key Performance (Service) Indicators (“KPIs”)

KPIs are statistics that can be reviewed or analyzed to evaluate the operation of the Consortium and are practical indicators to help identify areas for improvement. This is one method that an organization can use to monitor operations for performance and continuous improvement.

STSWR makes limited use of available data in both the course of the annual transportation planning project or as a tool for operational efficiency assessments. STSWR tracks transportation spending year over year. Operator accidents and delays are recorded however, the current format would be difficult to use for tracking operator performance, contract compliance or possible contract adjustments. There are no formal tracking procedures in place.

Audit

An annual financial statement audit is conducted for STSWR and the last audit was conducted in 2007.

In addition, the financial results of the Consortium are included in the financial statements of the WCDSB and WRDSB and, therefore, the Consortium is indirectly audited through each School Board.

There is no internal audit of the Consortium.

Confidentiality agreements

There is no confidentiality clause outlined in the Consortium Agreement.

3.4.2 Best practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Documented cost sharing agreement

The Consortium Agreement outlines the cost sharing mechanism for STSWR. A documented and fair methodology for cost sharing is a best practice to ensure accountability over costs and appropriate operational cash flow for the financial obligations of the Consortium.

Insurance

STSWR has obtained insurance coverage and the sufficiency of coverage needed has been periodically reviewed. Sufficient insurance coverage for the Consortium is essential to ensure it is suitably protected from potential liabilities.

Purchase of service agreement/support services

There are purchase of services agreements in place between STSWR and each of the School Boards as well as GEOREF Systems Limited that outline the support services to be provided by each Board and GEOREF and the manner in which the suppliers are to be compensated for these services. Additionally, STSWR has a contract with CSDCCS that outlines the transportation services to be provided by STSWR. Clear contracts ensure required services are satisfactorily provided to the Consortium and decrease the chances of misunderstanding.

3.4.3 Recommendations

Consortium formation and agreement

The executed Consortium Agreement as well as the articles of incorporation (plus the bylaws when executed) form the legal and contractual foundation for the Consortium. We recommend that STSWR consolidate the various documents that establish the consortium framework and clarify any inconsistencies between the documents. This will help to avoid any possible confusion and/or the risk that the Consortium Agreement, articles of incorporation or bylaws get separated. We also encourage the inclusion of a confidentiality clause in the Consortium Agreement.

Purchase of service agreement/support services

While it is commendable that STSWR has a contract with CSDCCS that outlines the transportation services to be provided by STSWR, we would encourage STSWR to execute contracts with WRDSB and WCDSB as well. At present, services are provided by the Consortium and paid without terms, conditions, and service levels normally associated with such arrangements. It is recommended that the Consortium develop and execute a joint transportation service agreement with the Partner Boards. The transportation service agreement should include clauses that specify the scope of services to be provided, fees, insurance/liabilities, quality of service, dispute resolution and other terms that the Partner Boards deem to be appropriate

STSWR should review their purchase of service agreements with WRDSB and WCDSB specifically as they pertain to union negotiation support. As all employees of STSWR are members of the same collective bargaining unit, STSWR should evaluate if one Board should provide all HR services for the Consortium.

Procurement policies

It is recommended that the Consortium review its member board's policies for appropriateness in transportation purchasing decisions, internal controls and work processes. Particular attention should be paid to the purchasing thresholds associated with initiating a competitive procurement process. This threshold should be practical to allow for sole sourcing of transportation services when it is warranted in varying circumstances. Formalizing these policies will ensure standardization in the procurement methods of the Consortium. It will also allow the Consortium to harmonize each Board's purchasing policies while ensuring that these policies are adapted to the particular needs of the Consortium.

Staff performance evaluation, training, and management

We encourage STSWR to continue the development of staff performance evaluation, training and management policies and practices. Staff performance evaluations should be conducted on a regular basis with a clear, easily understood framework that is specific to the Consortium and its needs. The metrics which are used should be supportive of the goals and objectives of the Consortium. Likewise staff training should be provided on a regular basis and be tracked internally. Training goals should be aligned with the overall consortium strategy and objectives to ensure an alignment between efforts and goals.

Long term and short term planning

As the Consortium is newly formed, a process to develop the goals and objectives of the Consortium, including implementation plans, should be undertaken to ensure the significant momentum gained by the Consortium in the last year continues to drive continued success into 2009 and beyond. The implementation plans should help differentiate between issues that need immediate attention and those which can be addressed over a longer term. This process will also assist in identifying key tasks and responsibilities that need to be assigned to specific Consortium personnel. Eventually, these tasks can be linked to staff performance plans and evaluations. It is also essential that the CMC and Board of Directors review the short and long term goals of the Consortium, ensuring that changing business and regulatory environments are reflected in their operating procedures.

Key Performance Indicators (KPIs)

We encourage STSWR to undertake a planning session to determine the KPIs it will monitor. As this process continues to evolve, we suggest that the KPIs be further analyzed to determine the frequency of monitoring and the quantitative thresholds for changes in KPIs. Further consideration of what requires formal monitoring as KPIs could include:

- Eligible Unassigned Student Lists;
- Student Map Match Rates;
- Total Students Transported;
- Average Vehicle Statistics and other route statistics;
- Total Vehicles on Operation; and
- Student Ride Times.

We acknowledge that some of these indicators are monitored by staff informally and that these statistics are available from the routing software. The recommendations here are to formalize a monitoring, documentation, and response protocol.

Administrative procedures

The Consortium should develop standardized administrative procedures that cover, for example, purchasing, hours of work, health and safety, travel for staff etc. Standardized administrative procedures will help to ensure Consortium staff can manage time effectively, use appropriate resources, and organize communication appropriately.

3.5 Financial Management

A sound financial management process ensures the integrity and accuracy of financial information. This includes the internal controls that exist within the accounting function and ensures that a robust budgeting process is in place which provides for accountability in decision making.

Financial management policies capture roles and responsibilities, authorization levels, and reporting requirements. The planning calendar refers to key dates for compliance, monitoring policies, or specifics to ensure proper segregation of duties. The policies support that a proper financial internal control system is in place for the Consortium.

3.5.1 Observations

Budget planning and monitoring

The responsibility for budgeting starts with the General Manager. The General Manager works with the CMC to obtain funding amounts from the WCDSB and WRDSB. The initial budget is prepared by the General Manager, presented to the CMC for review and discussion, and the CMC then presents the budget to the Board of Directors for final approval. Once approved, the budget is provided to WCDSB and is uploaded into the accounting software. Budget to actual reconciliations are not currently done by the Consortium however it is the intention of the consortium to conduct such reviews commencing in January 2009. Budget to actual reconciliations are performed by WCDSB for the purposes of cash management.

As documented in the Consortium Agreement, each School Board agrees to provide their share of the funding for the management, administration and operating costs of the approved budget in 10 equal monthly payments starting on September 1 of each fiscal year.

Accounting practices and management

Invoices received by STSWR are processed by the General Manager or Operations Supervisor. They verify the invoice accuracy and reasonability and attach supporting documentation. They assign a G/L code to each invoice. The invoice is then sent to the WCDSB for processing. The Consortium does not retain a copy of the invoice.

The General Manager, Operations Supervisor and Senior Transportation Technician have the ability to pull general ledger reports and detailed backup from the accounting system through a Jet Report.

STSWR does not have accounting policies of their own, however, as accounting services are provided by WCDSB, the accounting policies and procedures of WCDSB will be followed. STSWR therefore, follows the WCDSB thresholds for purchase authorizations and approvals.

For bus operator payments, each month the Operations Supervisor sends an excel spreadsheet to WCDSB outlining the payments to be made. First, mileage information is generated from *BusPlanner* and put onto a spreadsheet. This spreadsheet is then used to calculate the total mileage based payments to be made. The spreadsheet is then sent to the Operators to verify total mileage. Once the Operators have confirmed that the information in the spreadsheet is accurate, it is sent to WCDSB, which then issues the payment. Monthly electronic fund transfer payments are made to Operators based on this spreadsheet.

The General Manager or Operations Supervisor reviews and approves all expenses for the Transportation Technicians. The General Manager reviews and approves all expenses for the Operations Supervisor. The General Manager's expenses are reviewed and approved by either of the School Board representatives on the CMC.

3.5.2 Recommendations

Accounting practices and management

Financial management policies are in place to guide financial control, review and approval and communications with School Boards and transportation Operators as STSWR has adopted WCDSB's financial policies. Financial management policies are important to ensure assets are safeguarded and only valid expenses are paid. At this time, however, there is very limited budget monitoring performed by the Consortium. We understand that the Consortium is newly established and that the Jet report system used by the Consortium is newly implemented. It is essential that Consortium Management understand the new system and its capabilities. Additionally it is essential that STSWR management review financial reports and track actual spending versus budget to round out the internal financial controls already in place. We encourage the Consortium to establish and implement budget tracking and monitoring policies and procedures with appropriate segregation of duties.

Operator payment

It is recommended that STSWR alter its Operator payment method to ensure that Operators are invoicing the Consortium. Instead of generating mileage information that is then verified by the Operators, the Consortium should ask Operators to generate an

invoice to the Consortium that includes mileage information. The Consortium can then verify the mileage information internally using data from *BusPlanner*.

3.6 Results of E&E review

Consortium Management at STSWR has been assessed as **Moderate-Low**. The Consortium is a separate legal entity with documented cost sharing agreements and executed purchase of service contracts with the School Boards. Appropriate dispute resolution mechanisms exist at key levels of the organization and operator billing and invoice management is well executed. The Consortium needs to finalize the execution of the incorporation by-laws and clearly document, implement and communicate roles and responsibilities of the Board of Directors, CMC and Consortium Management. The groundwork required for good infrastructure to frame the development of an effective and efficient organization and Consortium Management are in progress.

4 Policies & Practices

4.1 Introduction

Policies and practices examine and evaluate the established policies, operational procedures, and the daily practices that determine the standards of student transportation services. The analysis for this area focused on the following three key areas:

- General Transportation Policies & Practices;
- Special Needs and Specialized Programs; and
- Safety and Training Programs.

The findings and recommendations found in this section of the report are based on onsite interviews with the Transportation Manager, senior staff, routing technicians, and on an analysis of supplied documents and data. Best practices, as established by the E&E process, provided the source of comparison for each of these key areas. The results were used to develop an E&E assessment for each of the key components and to determine the overall effectiveness of the Consortium's Policies and Practices as shown below:

Policies and Practices – E&E Rating: Moderate-Low

4.2 Transportation policies & practices

Clear and concise policies, procedures, and enforceable practices are essential elements of an effective and efficient transportation operation. Policies establish the parameters that define and determine the *level of service* that ultimately will be provided by the Consortium. Equally important is the application of policies through well defined and documented procedures, operational practices and protocols all of which determines *how* services are actually delivered. Policy harmonization between the Partner Boards and the application of practices helps to ensure that service is delivered safely and equitably to each of the Partner and Service Purchasing Boards. This section will evaluate the established policies and practices and their impact on the effective and efficient operation of the Consortium.

4.2.1 Observations

The STSWR Consortium operates under the direction of policies and procedures established by each of the Partner Boards and under common practices developed by

the Consortium. The Consortium publishes and distributes a *Transportation Information Handbook* which lists those policies and practices that are common to both Partner Boards as well as appendices covering policies specific to each of Partner Boards. While there are many examples of harmonization and similarities in service parameters and language (i.e. common policies and practices), each Board's separate policy statements may be the determining factor in circumstances where the authority of the Consortium and its practices or procedures are questioned (i.e. the Consortium lacks its own policies and practices document).

While the existence of common practices indicates a level of cooperation between the Boards, there is a need for additional harmonization of policies and practices in support of increased efficiencies in route planning and the potential for service improvements and cost savings. Specific examples where policies differ include walk to school differences and the granting of courtesy transportation, and “grandfathered” transportation zones. As an initial step in reconciling these differences, the Consortium is planning to submit a proposal to the CMC to undertake an analysis of the potential cost savings as a first step toward eliminating all courtesy transportation. As the Consortium moves forward in its development, the consolidation of all policies and practices into a single approved and supported policy document will help to ensure that transportation services are delivered fairly and equitably. This will result in each Board being charged appropriately for the services that are received. The following paragraphs summarize the policies and practices and the consistency or inconsistency between Board policies.

General transportation eligibility

Determining which students are eligible for service provides the foundation for planning and when administered consistently, helps to control costs, ensures equitable service, and helps to maintain planned levels of service. The following table illustrates the differences in current policies that, if harmonized, would equalize service and may provide opportunities for cost savings.

Table 4: Transportation Eligibility Distances

Eligibility by Grade Level	JK and SK	Grades 1 to 3	Grades 4 to 6	Grades 7 to 8	Grades 9 to 12
WCDSB	1.6 km	1.6 km	1.6 km	1.6 km	3.2 km
WRDSB	1.6 km	1.6 km	2.0 km	3.5 km	4.8 km

Stop placement and walk to stop distances

Each of the handbooks contains identical language regarding walk distances to a bus stop setting maximum distances for JK/SK students at 0.5 km, grades 1 to 8 at 1.0 km and secondary at 1.6 km. Rural students are generally picked up at their laneway but may be asked to walk up to 0.5 km where necessary. Additional supporting stop location criteria should be adopted including the maximum number of students desired per stop and safety considerations including line of sight requirements, traffic volume, waiting area criteria etc.

Student ride times

The amount of time that students are required to ride is a key indicator of the overall level of service provided by the Consortium. Each of the Partner Boards' policy statements limits, when possible, ride times to one hour or less each way. An analysis of supplied data indicates that the median student ride time is approximately 17 minutes with approximately three percent of total daily rides being over 50 minutes in length. Ride times and overall routing efficiency will be discussed in further detail in the following Routing and Technology section.

Courtesy transportation

The granting of courtesy transportation varies as it is generally available to WRDSB students only. WRDSB students may be permitted to ride buses where there is an existing route network providing there is space available on the bus. A specific concern relates to the long-term nature of the historic grandfathering procedures. The idea of allowing for all members of a household rather than the specific individuals impacted to take advantage of grandfathering allowances is unusual. In addition to being administratively difficult it causes long term inefficiencies as the population of those taking advantage of the privilege shrinks but the requirement to provide the service remains the same. The data provided as part of the review included a significant number of students whose travel codes indicate they are provided bus service but their eligibility code indicates ineligibility. Over 20 percent of the students in the database were in this category.

The Consortium is currently analyzing the cost and service impacts of providing courtesy transportation with a presentation to the CMC expected by the end of the year which may result in a recommendation to eliminate courtesy transportation as a service offering.

In the event that courtesy transportation remains an option for WRDSB students, additional policy language should include the development of guidelines for the consistent application by each of the routing technicians. A prime example includes the

process for the route planner to remove a courtesy rider in the event that space is needed for eligible students. Guidelines should be established to determine whether removal would be based on the age of the student or by distance.

Hazardous transportation

Hazardous transportation is supported by both Boards with common language found in each of the handbooks. Hazardous considerations include: the presence or absence of traffic lights and crossing guards, the availability of sidewalks, line of sight at crossing points, and other considerations such as barriers that may result in walking distances exceeding Board policies.

Alternative drop-off locations

Each of the Boards support alternative stop locations for early elementary students. WRDSB's policy states transportation to day care centers for students 12 or older will normally be rejected. Evaluation of this policy area should be conducted to ensure consistency in service between the Boards.

Student discipline

Each of the handbooks establishes the responsibilities and expectations of both the students and parents supporting both safe and efficient service. While the language in each of the handbooks is nearly identical, statements in WRDSB's handbook holds the parents responsible for the appropriate supervision of JK and SK students at the time of pick-up or drop-off and that students/parents will be held financially responsible for damage to the school bus resulting from improper behavior or carelessness. WCDSB's handbook is silent in both of these areas. As the Consortium expects to increase the number of routes and or runs that are shared between the Boards, these policies should be reviewed to ensure consistent expectations and understanding.

Dispute resolution

In practice, appeals would start with the respective routing technician and would follow the administrative chain of command in the event that it is not resolved. A supporting policy statement should be developed and approved to document the practice and to ensure consistency of the appeal process. Additionally, the role of the Board of Directors and CMC should be defined as part of this process review.

Bell time management

In practice, both the Boards and the Consortium can identify and suggest changes in bell times for program needs and improvements in transportation service. Any additional costs that are incurred as a result of requested bell time changes are the responsibility

of the Board making the request. As of now there is no guiding policy or procedure statement that explicitly empowers STSWR to investigate bell time changes for the purpose of realizing service improvements or efficiencies. A comprehensive statement regarding the management of bell times (within a joint policy manual) would help to ensure consistent application of bell time changes balancing the Consortium's need for flexibility in setting bell times for optimal routing against the needs of the educational programs.

Inclement weather procedures

Each of the handbooks details the process for school closing including a comprehensive listing of media outlets and website links for each of the Partner Boards.

Policy enforcement

Observations and interviews indicate that while in general technicians are familiar with each of the Board's policies, the inconsistencies in policy and the relative short length of service by staff members may lead to dissimilar application of a policy or procedure. As discussed in the previous section on courtesy transportation; a policy and any supporting procedure should provide clarity for both decision making and communication. Of particular concern is the historic courtesy and grandfathering allowances made by WRDSB. Modifications have been made to the transportation management software to allow for improved retention and review of this information, but it remains administratively difficult to incorporate these changes into the routing scheme. The development and adoption of joint policies and practices and the subsequent training of staff would help to ensure that the uniform application and enforcement of Consortium policies and practices is in place throughout the system.

4.2.2 Recommendations

Develop and adopt a consolidated policy manual for transportation services

The Consortium has laid the foundation for the consolidation of policies by the development of handbooks containing policies and practices in common for each of the Boards. A review of current policies and practices with a resulting incorporation into one policy manual is recommended as a critical step in the Consortium's goal of achieving maximum operational efficiency and service effectiveness. A sample list of specific examples of item for consideration is identified in the observations above.

Adopt a formal bell time management policy

Formal bell time management procedures should be developed recognizing the importance of bell time management and change procedures in an effective

transportation system. These procedures can recognize the educational needs of the Boards while also recognizing the service and cost impacts of bell times on effective route planning.

Evaluate courtesy and grandfathering practices

Many instances of “grandfathered” practices were explained during the interview of staff including the long term practice of grandfathered transportation zones. These services should be fully evaluated to determine both the direct cost and also the hidden impact and costs on the overall routing network. This analysis may result in cost and or service improvements for both Boards. STSWR staff indicated that an analysis of this nature was currently on going. It is imperative that it is completed in time to address planning requirements for the 2009-2010 and to provide the Boards with an understanding of how changes to these practices may impact the allocation of costs.

4.3 Special needs transportation

For a transportation operation to be fully effective, the needs of all students, including students with special needs and those attending special programs, must be considered. Effective and supportive special education transportation must consider the specific needs of each student including: inclusion opportunities, the mobility of the student, the need for special equipment including lifts, restraints, and air conditioning, medical conditions including the need for a supporting aid or assistant, behavior issues, and each students time and distance limits.

4.3.1 Observations

Each of the Boards individual policy documents recognizes the need for specialized transportation to address the requirements of special needs students as determined by Special Needs Consultants. Upon review, the Consortium may suggest alternative arrangements within the student’s physical and educational requirements. At this time there is little to no integration of having special needs students travel on school buses for regular education students.

While the Boards recognize and support students with special needs transportation; the Board’s policy documents do not fully detail the parameters under which service will be delivered. Although operator contracts require drivers to have both EpiPen and First Aid training within the first six months of employment, no training specific to the transportation of special needs students is required or provided.

Currently the management of special needs students is split between STSWR staff and a contractor. STSWR staff develop and maintain the bus routing scheme for all WCDSB

students while WRDSB students are managed by the contractor. The majority of special needs students attend the public board and are provided transportation based on routes planned by the contractor and approved by STSWR staff. This is a major contributing factor in the lack integration between special education and regular education transportation. Given that the Consortium expects to undertake route planning for special needs students beginning with the 2009-2010 school year, it is imperative that the Consortium establishes clear directing policies, procedures and service parameters as it begins to develop its own routing solutions.

4.3.2 Recommendations

Special education transportation policy development and training

Comprehensive written special needs policies and operational procedures are an important component of the development of a consolidated policy manual. Documentation of the requirements associated with transporting these students should be available to guide every aspect of providing special needs transportation to ensure that safe and cost effective services are delivered. Furthermore, driver training specific to the transportation of special needs students should be provided promoting safety of the student and showing support to the driver.

The following processes, procedures, and training areas should be examined and documented including:

- EpiPen use, training, and administration;
- First aid training;
- Hiring of monitors;
- Procedures for the provision of special restraints, seat belts, booster seat use;
- Policies specific to the individual medical or emotional conditions of students;
- Lift operation, wheelchair loading and unloading, and
- The use of securing devices.

4.4 Safety policy

The safe transportation of students is the overriding goal of any school transportation operation. As the Consortium serves numerous communities with multiple operators in both rural and urban regions, it is imperative that there are clear and concise safety

policies, practices, and regular training programs to promote a culture of safety and improve driver skills. It is also important to communicate the responsibility that students, parents, drivers, and the general community all share in helping to support the safety of both transported and walking students.

4.4.1 Observations

The Consortium supports the First Rider program, Bus Patrols and Standing Patrols, Bus Evacuation, and First Aid and Epi-pen Certification. In addition to programs for transported students, the Consortium has also participated in the Safe Routes to School and the Walking School Bus program for walkers.

Support for safety and training is also evidenced by the provision of a professional development day (PD) for drivers. While much of agenda for past PD training has been determined by the Operators, the Consortium Management intends to take a lead role in future programs with topics tailored specifically to the needs of the drivers serving the Consortium.

Senior management actively participates with local municipalities as members of the School Traffic Safety Committee. Requests from the Consortium may include additional sidewalks, striping, safety signage, crossing guards, and traffic controls.

While the contracts hold the Operators responsible for assigning a fully qualified school bus driver and providing both EpiPen and First-Aid training within six months of commencing employment, it does not mandate additional driver training such as student management techniques, training specific to the transportation of special needs students, specific skills improvement training or defensive driving techniques.

4.4.2 Best Practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Professional development day

The scheduling of a Professional Development day for drivers is an excellent opportunity for the Consortium to have direct contact with the drivers and to present topics specific to the needs of the Board's students promoting both safety and efficiency.

Involvement with the school traffic safety committee

The direct involvement with the School Traffic Safety Committee provides the Consortium with an opportunity to express its safety related needs and improvements directly to the agencies charged with the responsibility.

4.4.3 Recommendation

Safety training policy development

While the Consortium has demonstrated a commitment to the development and support of ongoing safety training, it is recommended that a comprehensive Safety and Training Policy Manual (as a component of a joint policy manual) be developed that fully encompasses all safety and training elements required by the Consortium including:

- Student behavior management;
- Training specific to the transportation of special needs students;
- Special needs equipment and use training, and
- Skills improvement and defensive driving training.

4.5 Results of E&E Review

Policies and Procedures development and implementation has been rated as **Moderate-Low**. The similarity of the policies in each of the handbooks and the procedures developed by the Consortium provides a foundation on which additional policies can be developed or refined. The adoption of a joint policy and operational procedures manual including sections for special needs transportation and safety and training programs would serve to support the Consortium's overall goal of operating at a high level of effectiveness and efficiency with safety as a paramount component.

5 Routing & Technology

5.1 Introduction

Routing and Technology encompasses the management, administration, and use of technology for the purpose of student transportation management. The following analysis stems from a review of the four key components of:

- Software and Technology Setup and Use;
- Digital Map and Student Database Management;
- System Reporting; and
- Regular and Special Needs Transportation Planning and Routing.

Each component has been analyzed based on observations from fact (including interviews) together with an assessment of best practices leading to a set of recommendations. These results are then used to develop an E&E assessment for each component, which is then summarized to determine an E&E assessment of Routing and Technical efficiency as shown below:

[Routing and Technology – E&E Rating: Moderate-Low](#)

5.2 Software and technology setup and use

Modern student transportation routing systems allow transportation managers to make more effective use of the resources at their disposal. These systems allow for improvements in the management and administration of large volumes of student and route data. However, the systems must be fully implemented with well designed coding structures and effective mechanisms to extract and report data to all stakeholder groups. This section of the evaluation was designed to evaluate the baseline acquisition, setup, installation, and management of transportation related software.

5.2.1 Observations Routing & related software

STSWR staff have been using *BusPlanner* from GEOREF Systems, Ltd. since 2000. This long history has created a unique and productive relationship with the software vendor that has included a number of training initiatives and software modifications to address the needs of the Consortium. The software provides a fully functional transportation management information system. Additionally, the bus contractor

responsible for the management of special needs routing also utilizes *BusPlanner* in its operation. This has reduced the need for redundant training of staff.

In addition to the core routing package, STSWR has also purchased the *GeoQuery* module of *BusPlanner*. This module allows for web-based querying of the transportation database for purpose of identifying transportation eligibility and identifying school of attendance. This is the primary service available through the STSWR website. Information regarding established Board policies and other related eligibility information can be found on the Board's websites. It is expected that as STSWR redesigns its website, additional use of the functionality available through *GeoQuery* will be made available on the site.

STSWR also owns an Integrated Voice Response (IVR) that provides for telephone-based queries of transportation data. However, at the time of the E&E review the IVR system had not been implemented.

Maintenance and service agreements

Maintenance and service agreements are in place to ensure that the transportation management software is current and any related fixes have been addressed. STSWR has established a unique partnership with GEOREF, LTD. to provide on ongoing support services related to map and geocode management. This agreement ensures that all map attributes are current and provides staff the opportunity to ask the product developers questions regarding the use and functionality of the product on a monthly basis.

Ensuring the currency of the system through this process is critical to ensure that opportunities for efficiency can be identified and evaluated.

System maintenance is generally performed by WRDSB technical staff under a service agreement with STSWR. This maintenance includes virtually all software management and more limited hardware management. The agreement was signed September 1, 2008 for a one year period with automatic renewal. Service to be provided includes:

- Maintaining the Consortium's website, e-mail accounts and connectivity;
- Providing technical support and updates for both hardware and software;
- Provide data download from Trillium to *BusPlanner*;
- Daily back-ups and disaster recovery, and
- Provide print shop and desktop publishing services.

While this arrangement ensures the critical need for basic data recovery in the event of a catastrophic event, comprehensive procedures specific to the needs of the Consortium are not well documented or defined at this time. Additional language and disaster recovery protocols should be considered that describes what can be expected from WRDSB's IT staff and on what timeline. A prime example is what can be expected in the event that there was a catastrophic event in the STSWR office complex requiring a substitute work location and equipment. This will be of increased importance when STSWR completes its move to a new off site location in January 2009.

Additional student management operating procedures are being established that will further limit the exposure of STSWR to hardware failures. While not in place at the time of the review, STSWR is working with Board and vendor staff to establish a daily update procedure for student data. This type of procedure would allow for nearly immediate restoration of student data following the restoration of any database failures.

Training and system use

All new routing technicians are first educated on the system and routing software used in the daily operations of the Consortium. Formal training schedules are then established within the first several weeks of employment. The training is initially focused on basic system functionality with additional follow up opportunities provided on an ad hoc basis during the monthly site visits from a *BusPlanner* technician. Training is also performed in a more ad hoc manner using a train-the-trainer model where the Senior Technician provides other Technicians with training on system use specific to situational concerns.

STSWR has recently begun an initiative to establish a more formalized and rigorous training schedule based on each individual Routing Technician's current experience and skills. However, this process was in its very initial stages at the time of the review. Interviews with the routing technicians indicate a varying degree of understanding and comfort with the system and what tools are available for their use. Although uneven skills levels and expertise in system use occurs in every organization, and is particularly understandable given the relatively brief tenure of many staff members, full implementation of a training schedule is necessary to ensure STSWR realizes the maximum value from its investment in transportation technology.

5.2.2 Best Practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Transportation software use

STSWR uses a fully implemented and functional transportation software application that allows for the development, review, and analysis of existing and alternative routing strategies; and

Data system management

STSWR has developed a reasonable and efficient approach to data and systems management that will provide for a timely restoration of system functionality in the event of a software or hardware failure.

However, additional specificity will be required in the agreement following full transfer of operations to a new off site location.

5.2.3 Recommendations

Related software

STSWR should accelerate its planned technology initiatives including the redesign of its current website, the implementation of IVR and the further integration of *GeoQuery*. The full implementation of these technologies will improve both access to student data and the presence of the STSWR brand. Greater data availability improves the completeness and accuracy of data as an increased number of individuals attempt to access the data. Additionally, provision of static information through the use of a public access website can increase the efficiency and effectiveness of staff by reducing the time spent answering these basic inquiries. This allows staff to redirect that time towards efforts that focus on improving efficiency and effectiveness.

Training

Training of Technicians is a significant challenge for STSWR given the short tenure of many of the employees. Detailed training is required on the strategic use of the system to allow for the development of alternative routing scenarios that would allow for increases in efficiency and cost effectiveness. STSWR Technicians understand the basic system functionality and will require a greater level of skill and expertise as many of the proposed routing initiatives (discussed in section 5.5.1), including greater integration of students on runs, are implemented in the future. This training is most cost effectively provided using a combination of the software vendor and in-house staff. In addition the development of a regular in-service training schedule targeted to specific functional aspects of the system would ensure continued staff competency. The full implementation of the proposed training approach, not implemented at the time of the review, is consistent with this recommendation.

5.3 Digital map and student database management

This aspect of the E&E Review was designed to evaluate the processes and procedures in place to update and maintain the student data and map data that forms the foundation of any student transportation routing system.

5.3.1 Observations Digital map

The digital map in place is sufficiently current to support efficient routing. The map is reported to have nearly 100 percent valid addressing for transportation-related addresses, including both school and student locations. Processes have been established to document Technician concerns about map completeness and accuracy. Additionally, STSWR has established working relationships with local planning organizations in order to obtain access to data and information regarding changes that may impact the completeness or adequacy of the map data. These concerns are then addressed by the software vendor in its monthly visits. While this strategy is certainly effective given the local proximity of the software vendor, STSWR should consider training one or more staff members on basic map management tasks to allow for continuity of operations in the event that the vendor is unable to respond to immediate needs. It should be noted that all interviews suggested the software vendor has been highly responsive to needed changes and this recommendation is intended to address longer term systems management issues rather than immediate service concerns.

Map accuracy

Processes are established to utilize third party input to improve map accuracy. Data collected during the annual route verification process is used to verify stop loads, times, and route directions. However, use of this procedure by Technicians is inconsistent. Additionally, ad hoc procedures have been established to document necessary changes to the map. Most map management accuracy issues are addressed by the vendor through the existing service contract.

STSWR has undertaken an excellent initiative to establish all of its exception boundary areas on the base digital map. This is particularly important given the significant number of otherwise ineligible students who are provided service. The establishment of these boundaries increases Technician efficiency by automating the eligibility for service assignments of these students.

Default values

Management of default values helps promote accurate route timings. Default values have been established and revised by STSWR. Management of these values is somewhat split between the software vendor and STSWR. The vendor addresses

concerns regarding core system values such as road speed values and street numbering issues. Individual Technicians may make changes to other important values such as default loading times, seating criteria, and travel restrictions depending on their comfort levels with the system. Authority is established in this way because the Technicians have the greatest understanding of their areas of responsibility. Limiting change authority to these key data elements is also an important tactic to ensure that the map reflects actual operating conditions. For example, road speeds may vary across the given time tiers.

Data management

STSWR has established an irregular schedule of student data downloads on an approximate six weeks schedule. A validation process has been established to verify the accuracy of each student download. This approach is particularly important given the existence of a significant number of exceptions established in the student records.

The relative infrequency of the data transfers has also required the establishment of operating procedures relative to interim changes to student records. STSWR has read-only access to the student information systems at each Board that allows them to verify that a new student has been enrolled or that an address has been changed. The student is then manually entered into the transportation database and assigned to a bus stop and run. This approach is designed to ensure that the student has completed the enrolment process prior to being placed on a bus.

Documentation of this change is recorded on an established form. Use of this form is effective as a data verification procedure, but it appears to create a significant manual workload for the Technicians.

Increasingly frequent student downloads, with daily transfers as the ideal, would reduce this requirement. STSWR has been working toward this approach but had not completed the effort during the course of the E&E.

A related concern is the accuracy of medical or emergency information in the student records. Interviews suggested that this data may not always be complete, accurate, or current. Of particular concern is health and safety related information provided to bus drivers. While some schools may supplement the initial information with updates, this information may not always be available on the route sheets. Efforts should be made to work with the schools and operators to ensure that all parties have complete, accurate and timely information in the event of an incident.

Coding structures

Establishing effective coding structures begins at system setup and requires a comprehensive understanding of what organizational processes the software will be designed to support. For example, it is essential that the software support the effective management of student eligibility. Therefore, coding structures must be established that reflect varied eligibility requirements, which in the case of STSWR requires a wide ranging exceptionality structure. Beyond this basic requirement, organizations should ensure that coding conventions reflect the data needs of both required and desired reporting requirements. Finally, basic operational analysis (such as calculating cost per bus by route type) requires establishing route coding structures to facilitate the efficient extraction of this data.

STSWR has established a two tier structure that begins with identification of an eligibility code and followed by the use of a travel code to provide a more detailed description of service mode. While the use of this type of multi-tiered approach is generally considered a best practice, in order for it to be effective it must be used consistently. For example, it was noted during the data review that all students, both regular and special education, using taxi services are identified using a travel code of X. However a travel code of U identified as special education taxi use had been established but never used. Consequently, the identification of special education students riding in taxis now have to be identified by capturing the special education flag and the travel code.

The existing coding structure can also create confusion based on the naming conventions established. For example, 490 students are identified with a travel code of O for Out of boundary but only five of these students are coded with an eligibility of Out of boundary. The majority of the remainder are coded as Out of district. Additionally, there are over 19,000 students coded with a Travel Code of B for Bussed, but over 500 are identified in the eligibility code as Walkers. Conversely, there are 1,478 students identified as eligibility of Walker with 526 of these students (36 percent) coded with a travel code of bussed. In these instances there is no guidance provided through the coding structure why these students may be transported despite being ineligible for service.

The significant number of exceptions to established eligibility criteria can also be noted in the coding structure. Over 7,500 students have travel codes that identify some level of service provision for students whose eligibility coding was Walker, Out of district, or Out of boundary. This volume of students has a significant impact on the overall design of the route network, particularly if runs have to be diverted to pick up these students or additional buses must be added to accommodate these students. Thus, there may be an area of significant improvement both in efficiency and in rationalization of bus runs/routes.

Best Practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Map data accuracy

Complete and accurate map data is maintained through a unique contractual approach with the transportation software vendor and by choosing a type of application that allows for regular map updates with limited impact on map attributes and student data elements. Additionally, procedures have been established to obtain information on necessary map attribute changes from multiple sources.

5.3.2 Recommendations

System coding

STSWR should consider modifications to the student coding structure by establishing more rigid distinctions in the travel codes to facilitate ease of reporting and analysis, specifically, concerns regarding when to use specific types of codes and how to clarify the rationale for mode and method of transport and the coding structure. To the extent possible, key information currently stored in group and text fields should be considered for formal travel codes. In particular, this applies to all of the exception based transport being provided by STSWR.

Student database management

Emphasis should be placed on increasing the frequency with which student data is imported from the student information systems. The current six week schedule necessitates the establishment and use of a number of alternative work processes to ensure the completeness and accuracy of student data that introduce inefficiency into the Technicians' work requirements.

Data transfer

Protocols should be established to limit the manual re-entry of any information by stakeholders. Therefore, STSWR should work with its operator group and school sites to determine if the operations would benefit from an electronic transfer of student, run, and route data. To the extent possible, efforts should begin as soon as practical to establish the most appropriate file structure and electronic data transfer. Part of this effort should also include the verification of all health and safety data retained in the student record.

5.4 System Reporting

Adequate reporting allows for the early identification of trends that may be detrimental to operations, improves the analytical capacity of the organization, and allows for internal and external stakeholders to be more adequately informed about operations. The purpose of this aspect of the review was to evaluate what reports are typically generated, who receives these reports, and what capabilities exist to develop ad hoc reports.

5.4.1 Observations

Reporting and data analysis

STSWR has very limited formalized reporting. The primary reports developed by consortium staff include run reports for schools and route reports for bus operators. STSWR is focused on increasing staff competencies with data extraction that would increase reporting and analysis activities. However, there is no procedure for using the system reporting to conduct internal performance assessments.

At the time of the review a very limited reporting and analysis program had been instituted to evaluate operations. The reporting focused substantially on issues surrounding vehicle lateness, evaluation of capacity use, and run length. Interviews with staff indicated that the increased use of operational analysis is part of a forthcoming initiative to more fully evaluate opportunities for efficiency and effectiveness (additional discussion of operational use of data is included in section 3.4).

BusPlanner provides for ease of access to most management data required for operational reporting. Additionally, the *GeoQuery* module provides standard reporting capabilities on important performance indicators for both cost and service related measures. As mentioned in section 5.2.3, as STSWR continues to upgrade its existing technology infrastructure it should consider this functionality as part of its data distribution strategy.

5.4.2 Recommendations

Reporting and operational analysis

STSWR should expand its current reporting initiative to include an evaluation of each position in the organization to determine what data those individuals require, the schedule on which it is required, and establish a proactive reporting schedule to reflect these requirements. These reports could include: a daily student change log for each technician (as part of the data management efforts discussed in Section 5.3.3); a weekly route change report for the Operations Manager; a quarterly performance operations report for the Operations Manager that provides summary statistics and

detailed data on issues like capacity utilization, route pairing, average run times, and lateness; and an annual operational summary to the Manager that summarizes the key performance statistics mentioned above and incorporates detailed cost measures such as the direct and indirect cost per bus, cost per student, and cost per kilometer. This reporting structure could then be integrated into the annual route planning process as STSWR attempts to establish a continuous improvement process focused on increasing effectiveness and efficiency.

5.5 Regular and special needs transportation planning and routing

Transportation route planning is the key activity undertaken by STSWR. Special education planning is of particular importance due to the long history of outsourcing this service to one of the bus contractors. This portion of the review was designed to evaluate the strategies, tactics, and processes used to provide transportation to regular and special education students and the approaches used to minimize the cost and operational disruption associated with both types of transportation.

5.5.1 Observations

Management of regular bus routes

STSWR recently undertook a substantial effort to realign its approach to route planning. This effort included a total realignment of Technician responsibilities through the establishment of new service areas. The service areas have been divided geographically into North, Central, and South and each of these three areas was further subdivided into East and West. This is a highly logical structure given the service area and provides for coverage in the event that a staff member is out on leave. This is an outstanding approach that STSWR management should be recognized for.

Each of the six primary service areas has been assigned a Technician who is responsible for all of the route design activities that occur in that area. A summary of the critical responsibilities include:

- Validating the completeness and accuracy of map attributes;
- Ensuring that service eligibility boundaries are complete and accurate;
- Locating bus stops;
- Assigning students to stop locations;
- Designing bus runs and pairing runs together in route combinations; and

- Addressing the concerns of parents, schools, or bus contractors.

The planning process is neither guided by any formal procedural guidelines nor is it formally restricted on run planning techniques. However, historical and current differences in Board policies and expectations have created practical limits that result in route sharing but very limited run sharing. In addition the bifurcated responsibilities for special needs planning have constrained the ability of planners to evaluate integration opportunities between regular and special needs students. In addition, the differing expectations of member Boards regarding the provision of service to otherwise ineligible students (See Section 4.2.1) has created practical limitations on efficiency and effectiveness initiatives.

Special education route planning

STSWR has established a Board-centric approach to managing special needs student planning. Currently, all WRDSB special needs transportation is planned by one bus contractor who also provides the majority of special needs service. The source for student data is a third-party database managed by the special needs consultants at the Board. The student data is then manually entered into a wholly separate *BusPlanner* database to which STSWR staff has access but that is not in any way integrated with the regular home-to-school database. While the current arrangement does not appear to present an operational concern in that the contractor staff are highly skilled in route development, it does present an oversight concern. The primary oversight concern is that the company being paid for the service is dictating how much service is required. These service levels are being established in the absence of clear and specific guidance regarding when new vehicles should be added into the route scheme and when existing runs should be reconfigured to accommodate additional students.

WCDSB special needs students are managed by STSWR staff in the designated *BusPlanner* database. A designated special needs field is established in the software to identify the student and travel codes are used to identify mode of transport. Additional detail on specific student requirements are retained in the free form comments fields. The Special Needs Technician has the same management responsibilities for special needs students that each area Technician has for regular home-to-school students.

The split in management responsibilities presents two major limiting factors in garnering efficiencies in special needs planning. The first is that there is limited integration of WRDSB and WCDSB students on special needs vehicles. While actual integration opportunities may be limited in part to differing educational models (i.e. WRDSB uses a centre-based approach and WCDSB generally assigns special needs students to their home school) the current management approach all but excludes the possibility of integrating runs/routes due to the complexities of the data management processes that

would be required for integrated run assignments. This approach also severely limits mainstreaming opportunities for special needs students where exceptionalities would allow. In the absence of a judgment on the educational viability of mainstreaming, it can be a highly cost effective approach to providing transportation services. However, given that WRDSB provides services to the majority of special needs students and that student data is in a separate and exclusive database, it is unlikely that area Technicians would be aware of opportunities when they are available.

Expectations are that all special needs planning will be integrated into the existing home to school database for the 2009-10 school year. This clearly presents additional concerns regarding staff capabilities and procedural changes necessary to effect the change. The STSWR Special Needs Technician has historically been responsible for only a small fraction of actual route planning responsibilities, and these responsibilities have generally focused on the use of taxi services for individual students. Transfer of all special needs planning will greatly increase the scope of responsibilities in this area and may require the addition or reallocation of existing staff to ensure appropriate capacity is available. A statistic that is illustrative of the requirements, the STSWR Special Needs Technician reported that there were nearly 1,000 changes to special needs records in the period of June to November 2008. While the specific nature and requirements of those changes were not documented it does provide a degree of insight into the management responsibilities of which STSWR must be cognizant as it transfers routing responsibilities to existing staff.

Planning cycle

STSWR has not traditionally utilized a formal and detailed planning cycle for the development and management of bus runs and routes throughout any given school year. However, consortium managers have recently begun developing a planning schedule that will include specific review and verification requirements for Technicians, managers, and bus contractors. Although not implemented at the time of the review, future implementation should allow for the verification of task timing, resource requirements, and data needs necessary to complete the varied initiatives STSWR is poised to undertake.

Analysis of system effectiveness

STSWR provides service across a large geographic area with multiple demographic characteristics including low density rural, medium and high density suburban and high density urban areas. Over 300 buses are used to service more than 25,000 students

daily on nearly 1,000 bus runs to over 180 different school site locations¹⁰. As it is currently structured there is very limited integration of runs between Boards with the primary focus on sharing routes between Boards. This means that students from the Partner Boards generally do not ride together.

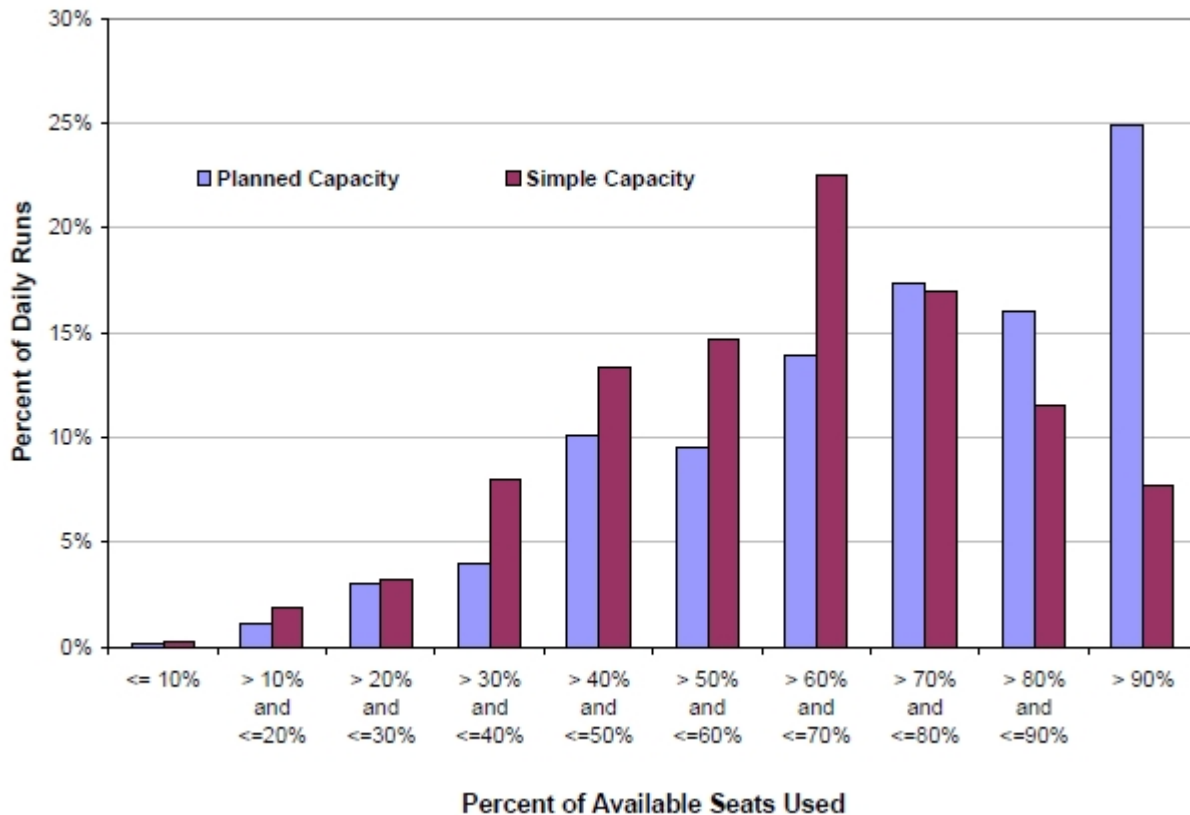
The key to achieving cost effectiveness in transportation is the establishment of bus runs that fill, to the extent possible, every seat available on each bus (known as capacity use), and that allows for the ability to reuse a bus as many times as possible throughout the day (known as asset utilization). Bell time, student ride time policies, and seating guidelines have a substantial impact on the ability of a transportation service provider to perform these activities, which further illustrates the importance of the recommendation made in Section 4. It is the job of the Technicians to evaluate the feasibility of possible routing strategies that allow for maximum capacity and vehicle use. It is the responsibility of the Boards to determine policies.

Capacity utilization is generally measured in two ways. The first, known as *simple capacity use*, considers the legal capacity of each bus (e.g., a 72-passenger bus has 72 possible seats available) and analyzes the number of students that are scheduled to be on that bus. The second approach is to evaluate *planned capacity use* which considers the influence of policy decisions regarding how many students can be placed on a bus (e.g., seating high school students two to a seat reduces legal capacity from 72 seats to a planned capacity of 48 seats). Evaluating each of these statistics provides an indication of the effectiveness of the route planning strategies.

STSWR has invested significant time over the previous 12 months to improve its use of available capacity. Figure 7 shows the simple and planned capacity percentages of bus runs for all non-special education runs utilizing 72-passenger buses. This subset was chosen because it represented nearly 90 percent of all bus runs and minimizes the wide variability in capacity use typically associated with special education route planning.

¹⁰ All data reported in this section of the report refers to data collected while the E&E team was on site. There may be inconsistencies with some previously reported Ministry data due to the different timing of the data collection.

Figure 7: Capacity Use Analysis



The most outstanding feature in the chart is the proportion of runs that are planned to assume more than 90 percent of available seats will be filled. While this would initially appear to be a highly positive indicator of efficient routing, the operational viability of this approach must be considered. Additional data analysis indicates that nearly 10 percent of runs in this subset are planned to carry at least 120 percent of available capacity. This strategy of overloading runs is designed to minimize the number of empty seats by considering historic ridership patterns. However, no data on actual ridership was available to verify the accuracy of these planning parameters. While interviews with Technicians did not indicate this approach caused any service concerns, data was not available to verify the differences between planned and actual ridership. Additionally, these values are influenced by students who transfer being counted in the ridership group. The analysis did not remove transfer riders from the capacity calculation. Therefore some of the overloading may be attributable to transfer students but the actual impact of transfer students on ridership counts could not be determined based on the data collected. It is difficult to evaluate the effectiveness of the overloading approach in the absence of data on actual riders however, it is clear that STSWR has focused its efforts on maximizing the use of available seats.

Analysis of vehicle utilization indicates that the system, as it is currently structured, results in buses performing one or two trips in the morning and afternoon panels. Table 4 summarizes the number of runs per day for the same subset of 72 passenger buses used in the capacity use analysis.

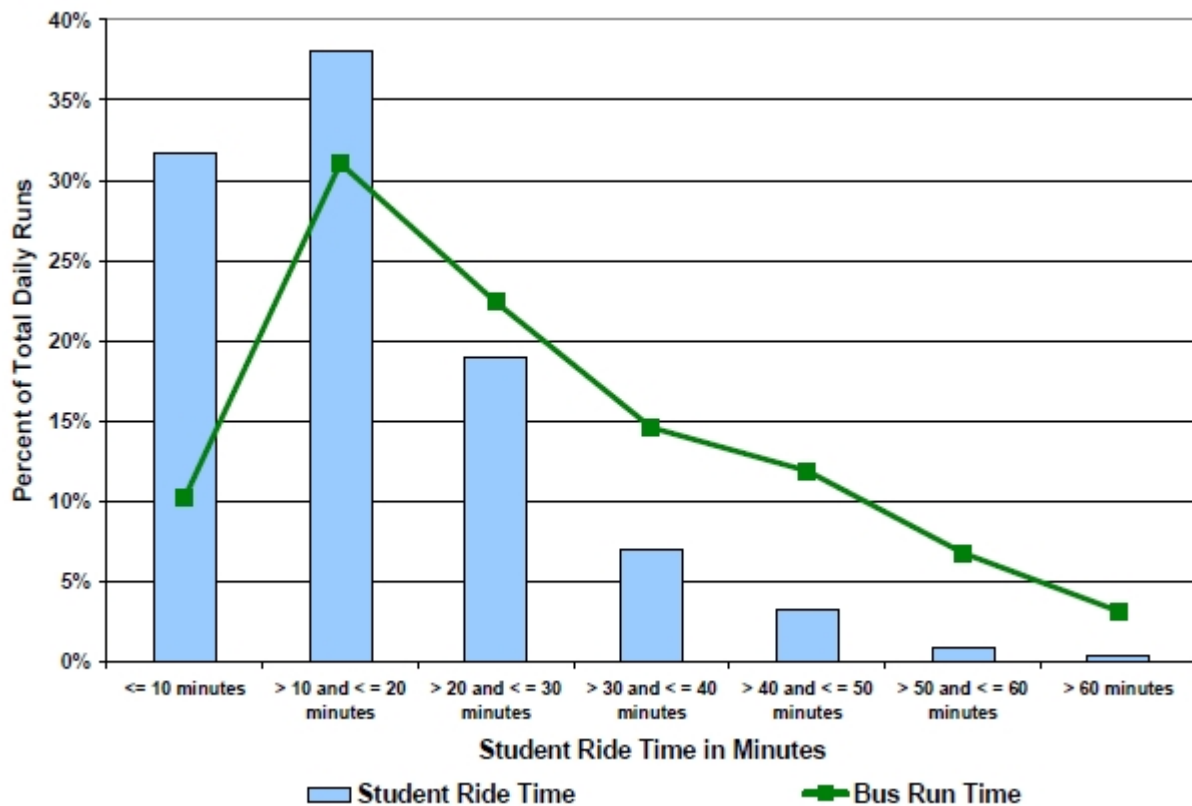
Table 5: Runs per Day for 72 Passenger Buses

Daily Assigned Runs	Count	Percent of Total
2	88	34%
3	17	7%
4	146	56%
More than 4	9	3%

Of particular note in the table is that nearly one-third of all 72-passenger runs are performing only one run in the morning and one run in the afternoon. While it is likely that the rural characteristics of the service area is at least partially the cause of this high percentage of single purpose buses, consideration should also be given to the influence of non-integrated runs. If multiple buses must go out to a rural area to collect students it will increase the number of buses required and the proportion of single purpose runs.

Analysis of a key measure of service effectiveness, student ride time, indicates that the overwhelming majority of students are provided service that is well within the established ride time guidelines of one hour. Analysis of student ride time was performed by calculating the total time that each student was on the bus from their point of pick up to their point of departure. The following chart demonstrates the percent of student ride times and the percent of student bus runs within given intervals of times.

Figure 8: Run Length Analysis



This analysis was conducted using all available student ridership data. Consequently, it includes a small proportion of special needs students. The chart demonstrates that 70 percent of all students have bus rides that are 20 minutes or less and nearly 90 percent of students ride for less than 30 minutes. The chart also shows that approximately 65 percent of bus run times (the amount of time the bus is operating from first to last stop) is 30 minutes or less. This would appear to indicate that there are a core group of students who are dropped off early in a run and a smaller portion of students who ride for a longer period of time to reach their destination. This type of distribution is common in systems that predominantly utilize string routing, as STSWR does. This data would indicate that service to the students is effective in that the amount of time spent on the bus, for the vast majority of students, is well within established guidelines.

As was mentioned in the discussion of Policies and Practices a primary concern for STSWR is the provision of service to otherwise ineligible students. At least 1,700 students have been provided service due to some type of courtesy or grandfathered circumstance, however, concerns about the coding results in the supposition that the number could be greater. Given that these exceptions are predominantly allowed for WRDSB students and that the specific impact of this type of service cannot be fully

analyzed in this context, the CMC of STSWR and STSWR should continue the current analysis of this service to determine whether or not it should continue.

5.5.2 Best Practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Organizational structure

The design of a logical organizational structure that promotes needed redundancies in service area coverage without adversely impacting staffing requirements. The current structure appropriately considers both the geographic area that must be serviced and the capacity of existing staff.

5.5.3 Recommendations

Special needs planning

STSWR should continue its effort to in source special needs transportation planning. However, as part of this effort a detailed staffing analysis should be conducted to determine whether additional staff is required or if existing staff should have duties reallocated to support the effort. As part of this initiative, run development procedures should be established that provide guidance to Technicians and the Special Needs Technician on when integration of students is possible. This effort should include the option for regular education students to travel on special needs buses. In addition, efforts should be made to eliminate all manual entry of student data for special needs planning purposes.

Run design

STSWR should accelerate its efforts to redesign the existing run network in a manner that takes advantage of all possible efficiency and effectiveness measures. Of particular note is the option of integrating students from both Boards on the same bus to eliminate the need for multiple trips into a neighborhood. This will require considerable cooperation among the Boards regarding the establishment of bell times for the initiative to be successful. It is this approach that is likely to yield the greatest potential cost savings and efficiencies.

It is unlikely that STSWR can fully consider the impact of all of these changes in the 2009-10 school year due to the expected insourcing of special needs transportation planning. Therefore, a multi-year plan should be established that focuses initially on integration of students from different Boards. During the 2009-2010 school year STSWR could then evaluate the impact of eliminating courtesy and exception based

transportation immediately and in a phased manner. This would allow the CMC to provide policy direction prior to the start of planning for the 2010-2011 school year.

Given the relatively higher benefits of run design versus special needs routing, the Consortium may wish to reconsider the relative priority of these two initiatives.

5.6 Results of E&E Review

Routing and Technology use has been rated as **Moderate-Low**. STSWR has clearly begun a major organizational initiative that will focus on the efficiency and effectiveness of the routing scheme. The redesign of Technician assignments, the establishment of a formal planning calendar, instituting a program of performance measurement, and evaluating the viability of alternative routing schemes are excellent initiatives. However, at the time of the E&E these efforts were still in the very early stages of implementation or were still being planned.

Resolution of issues related the provision of courtesy and otherwise ineligible services and integration of students on runs will require significant and intense collaboration between STSWR and the CMC in the short and medium term. In addition, the CMC guidance will be required to address the bell time considerations that will necessarily result from those discussions. However, STSWR's ability to manage and mitigate future transportation cost increases will, in large measure, be determined by a school bell schedule that supports the use of alternative routing strategies to maximize the use of both seating capacity and assets.

STSWR can improve operations by aggressively continuing the nascent efforts to increase the use of existing technology for the purpose of performance measurement and data distribution. These initiatives should enhance staff effectiveness by increasing competency with the transportation management system. When coupled with the effective organizational initiatives already completed and resolution of the policy concerns mentioned earlier, STSWR will be positioned to more effectively and efficiently manage the service provision challenges it will encounter in the future.

6 Contracts

6.1 Introduction

The Contracts section refers to the processes and practices by which the Consortium enters into and manages its transportation service contracts. The analysis stems from a review of the following three key components of Contracting Practices:

- Contract Structure;
- Contract Negotiations; and
- Contract Management.

Each component has been analyzed based on observations from information provided by STSWR, including interviews with Consortium Management and select Operators. The analysis comprises of an assessment of best practices leading to a set of recommendations. These results are then used to develop an E&E assessment for each component, which is then summarized to determine an E&E assessment of Contracting Practices as shown below:

Contracts – E&E Rating: Moderate

6.2 Contract structure

An effective transportation contract establishes a clear point of reference that defines the roles, requirements, and expectations of each party involved and details the compensation for providing the designated service. Effective contracts also provide penalties for failure to meet established service parameters and may provide incentives for exceeding service requirements. Contract analysis includes a review of the clauses contained in the contract to ensure that the terms are clearly articulated, and a review of the fee structure is conducted to enable comparison of its components to best practice.

6.2.1 Observations

Bus Operator contract clauses

The Operators in Waterloo have formed a bus Operators Association (“Association”). The Association is not a legal entity. All Operators working with STSWR are members of the Association. Membership in the Association is open to anybody wishing to join. The Association does not have any mandate beyond negotiating contracts for the Operators. Routes are assigned by the Consortium, not the Association.

STSWR Operators have, in the past, executed an annual contract with each of the Partner Boards. An extension of the 2007 contracts with each of the School Boards was signed prior to the start of the 2008 school year. A process to negotiate a combined contract with STSWR was underway for the 2008-09 school year at the time of the E&E Review and resulted in a new combined agreement. The new combined contract has a one year term. STSWR is only negotiating a short term contract with Operators at this time in order to be able to review and potentially implement the recommendations of the Ministry on competitive procurement for the next school year.

The new Agreement for Transportation, outlines the scope of work for Operators; mechanical fitness standards; insurance requirements; driver and vehicle requirements; driver operating procedures; training requirements; inclement weather compensation clauses; payment terms; compensation rates; confidentiality clauses; and a vehicle age policy.

The contract includes a vehicle age policy of 12 years of age or less with the average fleet age not to exceed 8 years (not including spare vehicles.) Spare vehicles are not to exceed 16 years in age, which is significantly higher than other areas.

Bus Operator compensation

Rate agreements are signed by Operators upon renewal of contracts. As of 2008, rates will be negotiated with STSWR and the Association. Negotiations for the 2008-09 school year were completed in November 2008. Rates for 2008-09 will be retroactive to September 1, 2008. In future years, it is the intention of the Consortium to have negotiations completed prior to the start of the school year. In October, with the completion of the route surveys, adjustments will be made to contracts to reflect rate changes and any route changes taking place in the fall.

Payments to Operators are made on or before the tenth day of the month in ten equal installments determined as 10% of the basic rate for each route.

Should bus service become temporarily interrupted, due to factors within the control of STSWR or the School Boards, Operators will receive payment of the basic rate for each route. For large vehicles (36 passenger plus), 50 percent of the variable rate will be paid for the first 10 days of the interruption. No compensation will be paid to Operators if the work stoppage is within the control of the Operators.

The contract includes a daily minimum route payment of 45 kilometers for large vehicles and 80 kilometers for small vehicles. Daily kilometers are calculated as the distance travelled from the first pick up location to the last drop off location and back to the first pick up location via the shortest route for the morning and afternoon routes.

Fuel rates for large vehicles (36 passengers and up) will be determined as the cost of Diesel minus two cents minus GST as found on the Ontario Ministry of Energy – London location – (www.eneregy.gov.on.ca) website. Fuel rates for small vehicles will be determined as the average of the previous month as per the Ontario Ministry of Energy – London location – (www.eneregy.gov.on.ca) website.

A fuel escalator clause and calculation sheet for both small and large vehicles is attached to the Agreement. The clause outlines how Operators will be compensated for fluctuations in fuel prices, how fuel consumption will be calculated and how average route distances will be calculated.

A schedule of overtime rate payments and basic and variable compensation rates is also included in the agreement.

Bus Operator contract management

Operators are provided their route information and student lists by STSWR via an emailed PDF document for review in the summer. Medical condition information is provided by the schools to STSWR and Operators. Prior to the commencement of the school year, STSWR requires all Operators to provide details on the fleet and drivers such as vehicle age, driver's license and emergency preparedness training as outlined in each of the respective contracts. Insurance certificates are collected before the start of the school year along with CVOR safety report. Vehicle information is provided with the first invoice and driver information is provided with the route surveys. A new check list is being introduced that will track vehicle, driver information, license and First Aid certificate expiry date.

Operators work with schools to ensure evacuation training is provided for all Junior Kindergarten to Grade 8 students. The bus evacuation training is coordinated at the school level and is done with the school evacuation training which is conducted in October and November. STSWR plans the number of buses required at each school and assign operators. STSWR is aware of what training has taken place through the invoices received from the Operators.

The First Time Rider training program is provided to schools by Operators. The Consortium books the schools and Operators deliver the program. The Operators charge STSWR for the provision of this program. Portions of the money raised is dedicated to a bursary award for each high school that is given to students selected by the respective school's guidance councilor for any achievement at the guidance councilors' discretion.

Transit passes

Transit passes are provided to secondary school students in both the WCDSB and WRDSB boards. WCDSB has 2,965 students on public transit and WRDSB has 599 students on public transit all on Grand River Transit.

Taxi contracts

No taxi contracts are in place. All taxi companies are governed by the regional government that establishes licensing procedures and fare structures.

6.2.2 Best Practices

It is recognized that STSWR has demonstrated best practice in the following area:

Bus Operator contract management

The Consortium has contracts in place for Operators which detail appropriate legal, safety and other non- monetary terms. This ensures the contractual relationship between transportation service providers and the Consortium is defined and enforceable.

Bus operator contract clauses

STSWR provides timely information to the school bus operators with respect to the runs for which they are responsible and in terms of student information for the Operators to be able do a good job in ensuring safe and reliable student transportation.

6.2.3 Recommendations

Additional contract clauses

We would recommend that the Consortium review their contracts with Operators and consider the addition of the following clauses:

- vehicle spare ratio;
- dispute resolution clause;
- rate negotiation procedures; and
- length of time a spare vehicle can be used (i.e. how many days can a spare vehicle be used – as some of them could be 16 years old).

The contract requires that all Operators provide first aid training and EpiPen training to drivers within six months of their hire date. We would recommend that this time be reduced. Training should be provided to drivers upon hire or as soon after as possible to ensure drivers have the appropriate skills and training should an emergency arise.

Full and complete contracts help to ensure the Consortium is provided the standard of service they require and help to ensure that any miscommunications or conflicts can be swiftly and appropriately addressed.

Taxi contracts

Written contracts should be established with taxi companies. The lack of contracts increases risk exposure to the Consortium and the Partner Boards. It is important that all vehicles used to transport pupils are in compliance with the Ministry of Transportation license, insurance and safety requirement, and the drivers have received all appropriate trainings that are mandatory to provide student transportation services.

Bus Operator compensation

STSWR should also monitor the number of routes with minimum distances to ensure excess payments are not needlessly made.

For inclement weather days, the Operator's contract states that for the first day of inclement weather cancellations Operators will be compensated both the fixed and variable portions of rates and for each day thereafter the Operators will only be paid the basic portion. It is recommended that only fixed costs/basic rates should be paid to the Operators to compensate for their effort to ensure the fleet of buses is ready to resume duty when the inclement weather passes by. Variable costs such as per kilometer costs that are not incurred should not be paid by the Consortium.

Requirements from Operators

We encourage the Consortium to continue with efforts to develop the new check list that will track vehicle, driver information, license and First Aid certificate expiry date. This check list will help the Consortium ensure they are receiving and monitoring all safety and licensing requirements as stipulated in the Operator contracts. We encourage the Consortium to expand the intended use the checklist to proactively monitor training programs, such as evacuation training, instead of relying on Operator invoicing to inform the Consortium when training has taken place. Pro-active monitoring will help the Consortium to ensure that all schools receive training in a timely manner. We also encourage the Consortium to use the checklist to test accuracy as well as existence, i.e. the responsible Consortium member will not only have to check that insurance

certificates exist, but also, for example, that the insurance lists the correct parties and is valid.

Transit passes

The Consortium is encouraged to take a comprehensive look at the costs involved in providing Municipal Transit passes to students. Based on conversations with the General Manager and our review of the available working papers, it is unclear whether this policy and its service and financial impacts have been carefully assessed through a comprehensive study. A complete cost study would reconcile and establish the complete cost of this service and properly refute or confirm that this policy provides the best service and value for the Consortium.

6.3 Contract Negotiations

Contract negotiations are intended to provide an avenue by which the Consortium, as a purchaser of services, can ultimately obtain the best value for money. The goal of the Consortium is to obtain high quality service at market prices.

6.3.1 Observations

Bus Operator contract negotiation process

All Operators are represented at negotiations by the Association, and through this Association have come to a common contractual agreement with the Partner Boards in the past.

The recently completed negotiation process between STSWR and the Operators (through the Operator's Association) is not indicative of the standard annual negotiation process as this is the first year a combined contract was negotiated.

No negotiation format or calendar is included in the contracts with Operators. STSWR is monitoring the roll-out of the contracting practices package and plans to comply with the direction given by the Ministry.

From the operating budget, the General Manager prepares all documentation and reconciliation amounts for the negotiation process.

Operators and STSWR perform mileage reconciliations in October/November.

The methodology for budgeting / negotiation ensures that STSWR expenditures fall within the budget allocated by the Board members. This year's negotiation goal for STSWR was to harmonize the contract and standardize rates for all Operators. Under

the previous contracts – one rate agreement was significantly below the provincial cost benchmark while the other was slightly above.

Special needs transportation

STSWR has a contract with Stock Transportation Ltd (Stock) to provide planning services for special needs transportation as well as special needs transportation service. 2008-2009 is the last year these planning services will be procured from Stock as the Consortium plans to undertake special needs transportation planning in-house.

Competitive procurement process

Contracts for school bus transportation services are currently not competitively awarded. STSWR is awaiting the release of the COSBO contracting practices package.

Contract monitoring

Compliance with contract terms is monitored informally. The process of contract monitoring primarily addresses safety and regulatory requirements. The Consortium checks CVOR records annually and maintains a copy of the insurance certificates provided by Operators. Route cards are supplied to Operators by the Consortium. There is a small attempt to monitor Operator Scorecards, however, the incident tracking is not robust or consistent and does not allow the Consortium to analyze incidents or Operator's performance. All incidents on buses are investigated and documented by Consortium staff.

STSWR employees do not conduct school or operator visits during the year to monitor operations. STSWR employees do not ride on buses nor do they follow buses to check for stop times or unscheduled stops. The students, parents and schools act as monitors to ensure schedules are being followed. A comprehensive audit process is being developed that will include route audits, Operators visits, vehicle and driver checks. However, these processes were not in place at the time of the Review.

STSWR owns one camera per Operator (five in total). The cameras are installed on buses where required but the bus drivers do not have access to the cameras' footage. Footage from the buses is not reviewed unless an incident is reported. Child check units are also installed on all buses.

6.3.2 Best Practices

It is recognized that STSWR has demonstrated best practices in the following areas:

Contract terms compliance

STSWR requires Operators to demonstrate that they have provided their drivers appropriate safety and first aid training prior to the start of the school year in addition to demonstrating they have met insurance requirements. As mentioned previously, a check list is being developed to further formalize this process.

6.3.3 Recommendations

Negotiation calendar

The Consortium should develop and document a negotiation calendar and format and communicate key dates, milestones and expectations to Operators, CMC and the Board of Directors. A calendar of key dates, milestones and responsibilities will help to ensure that the Consortium and Operators can reach agreement on next year's contract prior the start of the school year.

Monitoring

STSWR employees do not conduct school and operator visits during the year to monitor operations. A monitoring system should be implemented by the Consortium to monitor Operator performance.

Comprehensive route audits involve a trained and experienced individual riding on a selected bus to monitor compliance with contractual requirements such as adherence to the stated bus route, no unauthorized pickup or drop off points, and proper use of the student list. Route audits also provide the Consortium with a basis to determine the accuracy of the student numbers that the Operators report on the annual October 31 count of students.

Route audits should be conducted on a regular basis and be supported with appropriate documentation summarizing the results. This type of follow-up reporting can aid in the evaluation of operators and be used as evidence of proper implementation of the stated monitoring policies. Efforts should be made to obtain a broad and representative sample of audit results which represent all of the Operators which serve the Consortium. Results of the route audit should be documented by the Consortium and later be communicated back to the Operators to assist them in managing their drivers and improving overall service quality. Passive monitoring or a reliance on the bus Operators to self regulate and report instances of non-compliance with contract terms, such as instance of unauthorized bus stops, is not an effective method to detect, nor deter, actions which potentially impact the safety of students transported.

To be useful to the Consortium, incident reporting and operator scorecard monitoring will need to be more formally monitored and reconciled by having the Operators report

incidents and their reasons. STSWR should be able to use incident tracking schedules to reprimand operators and/or as evidence to support contract reductions.

As the Consortium owns and operates cameras, it is imperative that a camera operations policy be developed that outlines such practices as tape retention and disposal to protect the privacy of students and meet the Freedom of Information Act standards.

Competitive procurement

By not engaging in a competitive process, the Consortium will not know whether it is paying best rates for services provided. If a competitive process is used to procure contracted services, the Consortium can clearly state all service requirements in the procurement document. In addition, the Consortium can be sure that it will obtain the best value for its money as Operators will compete to provide the required service levels at prices that ensure they earn an appropriate return on investment. This may not mean that rates will decline; however, the concern for the Consortium should be to obtain best value for money expended.

A competitive process can be used with certain safeguards in place to protect the standards of service. The Consortium should continue to enforce limits placed on the amount of business any one operator can hold to avoid a monopoly situation. Additionally, in evaluating the successful proponents, cost should not be the overriding factor as that will encourage low cost proponents to enter the market while not necessarily ensuring that the same or improved levels of service are being provided. Local market conditions should be considered at all points in the development and evaluation of any service proposal. For example, local operators can be encouraged to participate in this process by placing a value on having local experience as part of the evaluation criteria; however, this specific criterion for local experience should also not be an overriding factor in the proposal evaluation process.

If the current negotiation process is deemed to be most appropriate for particular areas - such as remote areas where there may not be many operators interested in providing the service - the Consortium will be able to use the competitively procured contracts as a proxy for service levels and costs negotiated with the more rural operators. Established procurement policies will determine the process for service acquisition.

As the package on competitive procurement has been released and pilot programs are underway, the Consortium should start developing an implementation plan for competitive procurement. A plan should include a review of existing procurement policies, an analysis of the local supplier market, strategies to help determine the RFP scope and processes and a criteria and timeline to phase-in competitive procurement.

The plan should also utilize the best practices and lessons learned are available from the pilot Consortia.

6.4 Results of E&E Review

The process by which STSWR negotiates, structures, and manages its contracts for transportation services has been assessed as **Moderate**. We are pleased to see standardized contracts in place with complete terms to appropriately share accountability related to student transportation. STSWR processes also ensure that the Operators are in compliance with the contracts to retain appropriate insurance, safety training and fleet maintenance and age requirements. There are some key shortcomings in the monitoring of contract compliance namely with respect to conducting route audits.

Currently, contracts for transportation services are not awarded using a competitive procurement process. By not engaging in a competitive procurement process, the Consortium will not know whether it is paying the best rates for services provided. If a competitive process is used to procure services, the Consortium can clearly state all service requirements in its procurement document. In addition, the Consortium can be sure that it will obtain the best value for its money as Operators will compete to provide the required service levels at prices that ensure an appropriate return on investment. A competitive procurement process should be used with certain safeguards in place to protect the standards of service and be sensitive to local market conditions.

7 Funding Adjustment

The Ministry has asked the E&E Review Team to apply their Funding Adjustment Formula to each Board that was subject to an E&E Review in Phase 3A. Note that where Boards are incurring transportation expenses in multiple Consortium sites, the Board's adjustment will be prorated for the portion attributed to the Consortium under review. For example, if 90% of Board A's expenditures are attributed to Consortium A, and 10% of expenditures are attributed to Consortium B, the funding adjustment resulting from Consortium A's review will be applied to 90% of Board A's deficit or surplus position.

The Ministry's funding formula is as follows:

Overall Rating	Effect on deficit boards ¹¹	Effect on surplus boards ¹¹
High	Reduce the gap by 100% (i.e. eliminate the gap)	No in-year funding impact; out-year changes are to be determined
Moderate-High	Reduce the gap by 90%	Same as above
Moderate	Reduce the gap by 60%	Same as above
Moderate-Low	Reduce the gap by 30%	Same as above
Low	Reduce the gap in the range of 0% to 30%	Same as above

Based on the Ministry's funding formula, in conjunction with our E&E assessment of the Consortium, it is anticipated that the following funding adjustments will be made for each Board:

¹¹ This refers to boards that have a deficit/surplus on student transportation

Waterloo Region District School Board

Item	Value
2007-08 Transportation Surplus (Deficit)	(\$890,320)
% of Surplus (Deficit) attributed to the Consortium (rounded)	100.00%
Revised amount to be assessed under the Consortium	(\$890,320)
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	30%
Total Funding adjustment	\$267,096

Waterloo Catholic District School Board

Item	Value
2007-08 Transportation Surplus (Deficit)	(\$101,354)
% of Surplus (Deficit) attributed to the Consortium (rounded)	100.00%
Revised amount to be assessed under the Consortium	(\$101,354)
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	30%
Total Funding adjustment	\$30,406

Conseil scolaire de district catholique Centre-Sud

Item	Value
2007-08 Transportation Surplus (Deficit)	(\$1,228,815)
% of Surplus (Deficit) attributed to the Consortium (rounded)	7.84%
Revised amount to be assessed under the Consortium	(\$96,359)
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	30%
Total Funding adjustment	\$28,908

8 Appendix 1: Glossary of Terms

Term	Definition
Act	Education Act
Assessment Guide	The guide prepared by the E&E review team and the Ministry of Education which will be used as the basis for determining the overall effectiveness and efficiency of each Consortium
Common Practice	Refers to a set of planning parameters that have been reported by Ontario school boards as the most commonly adopted planning policies and practices. These are used as references in the assessment of the relative level of service and efficiency.
Consortium or STSWR	Student Transportation Services of Waterloo Region
CSDCCS	Conseil scolaire de district catholique Centre-Sud
Deloitte	Deloitte & Touche LLP (Canada)
Driver	Refers to bus Drivers, see also Operators
E&E	Effectiveness and Efficiency
E&E Review Team	As defined in Section 1.1.5
E&E Reviews	As defined in Section 1.1.4
Effective	Having an intended or expected effect; the ability to deliver intended service
Efficient	Performing or functioning in the best possible manner with the least waste of time and effort; the ability to achieve cost savings without compromising safety
Evaluation Framework	The document, titled “Evaluation Framework For STSWR Student Transportation Services ” which supports the E&E Review Team’s Assessment; this document is not a public document
Funding Adjustment Formula	As described in Section 1.3.6
HR	Human Resources

Term	Definition
IT	Information Technology
JK/SK	Junior Kindergarten/Senior Kindergarten
KPI	Key Performance Indicators
Management Consultants	As defined in Section 1.1.5
Memo	Memorandum 2006: SB13, dated July 11 issued by the Ministry
Ministry	The Ministry of Education of Ontario
MPS	Management Partnership Services Inc., the routing consultant, as defined in Section 1.1.5
MTO	The Ministry of Transportation of Ontario
Operators	Refers to companies that operate school buses and the individuals who run those companies. In some instances, an Operator may also be a Driver.
Overall Rating	As Defined in Section 3.2 of the Evaluation Framework
Partner Boards or Boards	The school boards that have participated as full partners in the Consortium
Rating	The E&E Assessment score on a scale of High to Low, see Section 1.3.4
Report	The report prepared by the E&E Review Team for each Consortium that has undergone an E&E Review (i.e. this document)
Separate Legal Entity	Incorporation
WCDSB	Waterloo Catholic District School Board
WRDSB	Waterloo Region District School Board

9 Appendix 2: Financial Review – by School Board

Waterloo Region District School Board (WRDSB)

Item	2004/2005	2005/2006	2006/2007	2007/2008
Allocation ¹²	\$10,804,534	\$11,246,871	\$11,396,516	\$11,662,473
Expenditure ¹³	\$11,860,299	\$12,897,482	\$12,745,215	\$12,552,793
Transportation Surplus (Deficit)	(\$1,055,765)	(\$1,650,611)	(\$1,348,699)	(\$890,320)
Total Expenditures paid to Waterloo Region Student Transportation Service (WRSTS)	\$11,860,299	\$12,897,482	\$12,745,215	\$12,552,793
As % of total Expenditures of Board	100%	100%	100%	100%

Waterloo Catholic District School Board (WCDSB)

Item	2004/2005	2005/2006	2006/2007	2007/2008
Allocation	\$5,956,550	\$6,210,062	\$6,279,682	\$6,400,244
Expenditure	\$6,197,975	\$6,258,468	\$6,346,727	\$6,501,598
Transportation Surplus (Deficit)	(\$241,425)	(\$48,406)	(\$67,045)	(\$101,354)
Total Expenditures paid to Waterloo Region Student Transportation Service (WRSTS)	\$6,197,975	\$6,258,468	\$6,346,727	\$6,501,598
As % of total Expenditures of Board	100%	100%	100%	100%

Conseil scolaire de district catholique Centre-Sud (CSDCCS)

¹² Allocation based on Ministry data – includes all grant allocations for transportation (Section 9 00008C, Section 13 00006C, Section 13 00012C)

¹³ Expenditure based on Ministry data – taken from Data Form D: 730C (Adjusted expenditures for compliance) – 212C (Other Revenues) + 798C (Capital expenditures funded from operating)

Item	2004/2005	2005/2006	2006/2007	2007/2008
Allocation	\$12,630,012	\$13,363,914	\$13,793,702	\$15,419,952
Expenditure	\$13,724,837	\$14,857,246	\$14,802,372	\$16,648,767
Transportation Surplus (Deficit)	(\$1,094,825)	(\$1,493,332)	(\$1,008,670)	(\$1,228,815)
Total Expenditures paid to Waterloo Region Student Transportation Service (WRSTS)	-	-	-	\$1,305,530
As % of total Expenditures of Board	N/A	N/A	N/A	7.84%

10 Appendix 3: Document List

1. Accounting report: Student Transportation Services of Waterloo Region
2. Agreement: Provision of Transportation Services: Waterloo Catholic School Board and le Conseil scolaire de district catholique Centre-Sud
3. Agreement: Management and Operation of Student Transportation Services of Waterloo Region – Waterloo Catholic District School Board and Waterloo Region District School Board
4. Articles of Incorporation
5. Billing for Costs of Transportation: Waterloo Catholic School Board to le Conseil scolaire de district catholique Centre-Sud
6. Confirmation of Insurance: for Student Transportation Services of Waterloo Region by Ontario School Boards' Insurance Exchange
7. Cost Sharing Policies (Included in Consortium Agreement Schedule A)
8. Description of Annual Budgeting Cost
9. Dispute Resolution Policy (Included in Consortium Agreement Schedule D)
10. General Working By-law 1: Conduct of Affairs of Student Transportation Services of Waterloo Region Inc
11. Organization Chart : Consortium, Student Transportation Services of Waterloo Region
12. Organization Chart: Student Transportation Services of Waterloo Region Governance Committee
13. Purchase of Support Services Agreement: Waterloo Catholic District School Board and Student Transportation Services of Waterloo Region
14. Purchase of Support Services Agreement: Waterloo Region District School Board and Student Transportation Services of Waterloo Region
15. Responsibilities of the General Manager
16. Responsibilities of the Operations Supervisor

17. Responsibilities of the Senior Transportation Technician
18. Responsibilities of the Transportation Secretary
19. Responsibilities of the Transportation Technician
20. Roles and Responsibilities of Governance members (included in Consortium Agreement Schedule B)
21. Student Transportation Canada – Breslau
22. Transportation Net Expenditures , Analysis of
23. Transportation Net Expenditures: Waterloo Catholic District School Board

11 Appendix 4: Common Practices

Home to School Distance

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	0.8 km	1.2 km	1.6 km	1.6 km	3.2 km
Policy – WCDSB	1.6 km	1.6 km	1.6 km	1.6 km	3.2 km
Policy – WRDSB	1.6 km	1.6 km	2.0 km	3.5 km	4.8 km

Home to Bus Stop Distance

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	0.5 km	0.8 km	0.8 km	0.8 km	0.8 km
Policy – WCDSB	0.5 km	1.0 km	1.0 km	1.0 km	1.6 km
Policy – WRDSB	0.5 km	1.0 km	1.0 km	1.0 km	1.6 km

Arrival Window

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	18	18	18	18	25
Policy – WCDSB	15	15	15	15	15
Policy – WRDSB	15	15	15	15	15

Departure Window

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	16	16	16	16	18
Policy – WCDSB	15	15	15	15	15
Policy – WRDSB	15	15	15	15	15

Earliest Pick Up Time

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	6:30	6:30	6:30	6:30	6:00
Policy – WCDSB	-	-	-	-	-
Policy – WRDSB	-	-	-	-	-

Latest Drop Off Time

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	5:30	5:30	5:30	5:30	6:00
Policy – WCDSB	-	-	-	-	-
Policy – WRDSB	-	-	-	-	-

Maximum Ride Time

Activity	JK/SK	Gr. 1 – 3	Gr. 4 – 6	Gr.7 – 8	GR. 9 – 12
Common Practice	75	75	75	75	90
Policy – WCDSB	60	60	60	60	60
Policy – WRDSB	60	60	60	60	60
Practice	60	60	60	60	60

Seated Students Per Vehicle

Activity	JK/SK	Gr. 1 – 6	Gr. 7 – 8	Gr. 8	GR. 9 – 12
Common Practice	69	69	69	52	52
Policy – WCDSB	69	69	46	46	46
Policy – WRDSB	69	69	46	46	46
Practice	69	69	46	46	46

Eligibility by Grade Level

Activity	JK and SK	Grades 1 to 3	Grades 4 to 6	Grades 7 to 8	Grades 9 to 12
WCDSB	1.6 km	1.6 km	1.6 km	1.6 km	3.2 km
WRDSB	1.6 km	1.6 km	2.0 km	3.5 km	4.8 km



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