



UPDATE ON TRANSDEV CONTRACT

**Boston School Committee
March 14, 2018**

Agenda

- Contract Overview
- Contract Extension

Transdev has served as the BPS Transportation Vendor since 2013

- Known as Veolia at the time, Transdev began a **five-year contract with BPS on July 1, 2013**
- First Student (the incumbent) and two other bidders sought the contract through a **competitive bidding process**
 - Transdev's bid was **\$2M+ less expensive per year** than the next-closest qualified bidder
- The five-year contract comes with **five one-year options for renewal**, exercised at the City's discretion
 - The first of those options would be for July 1, 2018 to June 30, 2019

We are here today asking for your approval of our intent to award Transdev with the first of these extension options.

Our decision to extend Transdev is based on multiple factors

- **The availability of national contractors** to take on the work we have in Boston is **severely limited**, likely more so than in 2013
- The likelihood of another vendor bidding the work at less than Transdev's rate is extremely low
 - Not awarding the work to Transdev could lead to **cost increases of \$2M+**, in addition to various startup costs
 - Transdev's **current management fee of ~\$2.9M is only about \$140K higher than the fee paid to First Student in 2004**
 - Districts with options for renewal seldom choose to go to market unless they are certain of lower fees
- Transdev has been closely involved in **several positive developments** since the fall
 - **On-time performance** has been better than last year for months
 - **New General Manager** has brought increased accountability and results
 - **Administrative and driver-related costs** have sharply decreased of late
- A transition to a new vendor would present concerns regarding **negotiations with the bus drivers union** beginning this spring

Questions and Answers