



BPS TRANSPORTATION OPERATOR CONTRACT

Boston School Committee
March 27, 2019

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 included **five one-year options for renewal**, exercised at the City's discretion
 - We executed the first option last year
 - The second of those options would be for July 1, 2019 to June 30, 2020

We are here today asking for your approval of our intent to award Transdev with the second 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 \$200K 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

*We estimate Transdev's FY20 management fee to be \$3.05M