



Shrewsbury Public Schools

Patrick C. Collins, Assistant Superintendent for Finance & Operations

29 April 2020

To: School Committee

Subj: SCHOOL TRANSPORTATION CONTRACT AMENDMENT

Background

In response to the myriad negative impacts of Covid-19 on public education, The Massachusetts Commissioner of Elementary and Secondary Education, Jeff Riley, issued a guidance memorandum to all school districts on March 27, 2020 [see attached].

Part of that memo addressed the important topic of the viability of the school transportation providers as the vast majority of school districts outsource this function to private companies. In that guidance he quotes some language from the CARES Act Educational Stabilization Fund that urges the pay continuity for employees and contractors to the greatest extent practicable.

To this end MA DESE facilitated school districts with a common vendor to work together and develop school transportation contract amendments.

Process

In Central Massachusetts, AA Transportation Co. provides services to eleven school districts serving a larger number communities as some districts are regionalized. Over the past two weeks, we engaged in a dialogue with all stakeholders and arrived at what we believe is reasonable amendment to ensure the viability of the AA Transportation and also achieve some savings for the school districts during school closure.

I received a template contract amendment document from our legal counsel and we have modified that document with our specific amendment terms.

All eleven school districts are in agreement with this amendment and all will receive the same “discount percentage” for school closure days. While this arrangement has been agreed upon in concept by all school district business administrators, each district will have its own local approval process and execute a contract amendment between its district and AA Transportation Co.

We used and shared other district/vendor amendment data and saw that school districts and vendor resolutions ranged in the 75% to 82.5% range when it was required that the vendor make its employees “whole” from a wage and benefit perspective. So, we are confident that our amendment that stipulates a 75% payment for each “home-to-school” bus is well within a range of “the market norm”.

Finally, since our original contract was approved and signed by our Town Manager, Mr. Mizikar, I have sent our draft agreement to him for his review as well. As Shrewsbury's Chief Procurement Officer, he has final say on any contract amendment and he supports the one we have devised.

Estimated Impact of Amendment

This amendment will create some one-time FY20 savings as estimated below. Certainly, these savings can assist in covering some unexpected Covid-19 related expenses and possibly assist us with closing the FY21 budget gap for FY21.

Category	Amount/Estimate
Home-to-School	\$311,268
Bus Monitors	\$126,500
Athletics	\$45,000
School sponsored events [i.e. Music, Speech and Debate]	\$4,000
Total	\$486,768

Vote Recommendation

In accordance with the Massachusetts Commissioner of Elementary and Secondary Education guidance issued on March 27, 2020, and in the mutual interest of Shrewsbury Public Schools and AA Transportation Co., I move to approve the *AMENDMENT Between the SHREWSBURY PUBLIC SCHOOLS and AA Transportation Inc. [of Shrewsbury, MA]* dated April 29, 2020, contingent upon the final approval of the Shrewsbury Town Manager who is the municipality's Chief Procurement Officer.