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INSPECTOR GENERAL

The Commonwealth of Massachusetts
Office of the Inspector General

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February 28, 2023

Sent Via Email

Superintendent Mary Skipper
Boston Public Schools
Bruce C. Bolling Municipal Building
2300 Washington Street
Roxbury, MA 02119

**Re: School Bus Transportation Procurement
(Invitation For Bids EV00011276)**

Dear Superintendent Skipper:

I would like to thank you and your team for engaging with the Office of the Inspector General (Office) over the last two months regarding the Boston Public Schools' (BPS) procurement for school bus transportation. I appreciate both the meetings and your prompt attention to the Office's concerns.

Throughout this process, you have indicated your belief that awarding a new contract to Transdev Services, Inc. (Transdev) offers BPS the best opportunity to provide safe, reliable and timely transportation to its students in the near future. I understand you plan to present the new contract between BPS and Transdev to the Boston School Committee at its March 15, 2023, meeting and to request a vote on the contract on March 22, 2023.

Given your expressed intention to move forward, I would like to remind you that BPS has agreed to draft a single, comprehensive contract that memorializes and governs the relationship between Transdev and BPS. Because of the complexity of the services BPS needs, it is essential that BPS create a standalone contract, rather than use a compilation of bidding documents that reference each other and that contain both inconsistent and extraneous information. Further, the contract must clearly spell out the parties' entire agreement, including the costs, deliverables, performance measures, reporting requirements, the approval process for paying invoices and reimbursements, and the consequences for noncompliance with the contract's terms and conditions. We also remind you that the contract must be consistent with the terms and requirements within the invitation for bid (IFB), including its amendments and recorded responses to questions from potential bidders. In this regard, you have informed our Office that the contract will not deviate from the IFB and that no one from BPS has agreed to any of Transdev's requests to change the terms related to utility costs, workers' compensation and contract extensions.

Additionally, BPS will develop and follow a comprehensive contract administration plan to guide current and future administrators of the school bus transportation contract. At a minimum, the contract administration plan should identify the individuals at BPS who are responsible for ensuring that Transdev fulfills its contractual obligations. For instance, the contract administration plan should identify the individual BPS staff members who will be responsible for tracking Transdev's daily on-time performance (OTP) and other performance metrics, monitoring vehicle maintenance, verifying backup documentation before paying invoices or other expenses and holding Transdev accountable for its performance. As we have discussed, it also is essential that BPS staff have real-time access to – and utilize – the data necessary to monitor and evaluate Transdev's performance.

The Office remains extremely concerned about Transdev's failure to consistently deliver students to school on time in the past and questions whether Transdev will be able to do so in the future. As you know, the Department of Elementary and Secondary Education expects BPS to achieve a district-wide on-time arrival rate of 95% or better each month. Currently, BPS is unable to accurately and completely determine OTP, as further documented in the recently released EY, DESE – BPS Independent Data Consultant Report.¹ Among the factors that prevent accurate and complete reporting of on-time arrival are unclear, incomplete procedures and policies; heavy dependencies on manual procedures; and incomplete, unreliable Global Positioning System (GPS) data because the equipment does not always record accurate arrival information. This must change. Improving the procedures, assigning properly skilled and dedicated staff to this critical business function and moving manual processes to automated ones must be a priority of yours for any contract that results from this procurement to be successful.

Your staff explained that geofencing around each school building (including private and charter schools) is supposed to signal the GPS when a bus arrives. Over time, some of this geofencing has become misaligned and no longer corresponds with the bus stops at some schools. In addition, a handful of GPS units on the buses malfunction on any given day. Currently, it takes Transdev's maintenance team a day or more to replace a faulty GPS unit, which is problematic and contributes to BPS's inability to accurately measure OTP on a consistent basis.

BPS represented that it is in the process of realigning the geofencing around each school. Given the importance of tracking OTP, it is essential that BPS have accurate geofencing in place when the new contract begins on July 1, 2023. BPS also must keep the geofencing in place and accurate for the life of the contract. Similarly, BPS should require Transdev to prioritize replacing faulty GPS units. At a minimum, Transdev should repair individual GPS units within one day or take the bus out of service until the GPS unit is repaired. Transdev is entitled to a \$250,000 performance bonus for reaching greater than 90% OTP in the first 10 days of school. In light of BPS's decision to exclude routes not reporting GPS data from its OTP calculations for the first year of the new contract, BPS must have complete and accurate data before it begins awarding bonuses based on OTP. Anything else would be a waste of taxpayer funds.

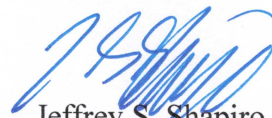
¹ EY, DESE – BPS Independent Data Consultant, Final Report, February 2023, pages 8,11, 49-53.

In drafting the IFB for school bus transportation, BPS considered splitting the contract by bus yard, which would have allowed BPS to contract with multiple vendors. Ultimately, BPS decided to seek a single vendor in order to allow the three bus yards to cover each other's routes. BPS needs to track the frequency and utility of this coverage system to determine whether it is effective in helping to achieve the overarching goal of on-time delivery of students to their schools. If BPS does not track this data, it will only have anecdotal – *i.e.*, unreliable – information regarding its decision to contract with a single vendor in order to have greater route coverage. BPS must be equipped to consider splitting the contract by bus yard in a future procurement.

We understand that consistent with the current IFB, BPS intends to enter into a five-year contract with the possibility of up to five one-year extensions. In our conversations, you and your staff discussed the long process to procure bus transportation services, which included, among other things, assessing BPS's needs, evaluating different transportation models, preparing the bid and awarding a new contract. Consequently, by the beginning of the third year of the new contract with Transdev, BPS should determine whether it is in its best interest to exercise any of the optional extensions, conduct another procurement or provide school bus operations itself. If BPS delays that decision until later in the contract period, it risks the new contract becoming a ten-year contract.

Thank you again for your cooperation and your team's responsiveness to our questions and concerns. I look forward to your continued cooperation and responsiveness as BPS moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Shapiro", is written over the printed name.

Jeffrey S. Shapiro
Inspector General

cc (via email):

Mayor Michelle Wu
Boston School Committee
Boston City Council
Mike Firestone, Chief of Policy and Strategic Planning, City of Boston
Adam Cederbaum, Corporation Counsel, City of Boston Law Department
Daniel Rosengard, Director of Transportation, Boston Public Schools
Lisa Maki, Legal Advisor, Boston Public Schools
Jeffrey C. Riley, Commissioner, Department of Elementary and Secondary Education
Russell Johnston, Deputy Commissioner, DESE
Natalie S. Monroe, First Assistant Inspector General
George Xenakis, Director, Audit, Oversight and Investigations, OIG
Ellen Silberman, Senior Investigator, Audit, Oversight and Investigations, OIG