



The Commonwealth of Massachusetts

Office of the Inspector General

GREGORY W. SULLIVAN
INSPECTOR GENERAL

JOHN W. MCCORMACK
STATE OFFICE BUILDING
ONE ASHBURTON PLACE
ROOM 1311
BOSTON, MA 02108
TEL: (617) 727-9140
FAX: (617) 723-2334

Dear Procurement Official:

Enclosed please find the sample school bus bid pricing forms you requested. This Office has developed sample forms for the two simplest methods of bidding these contracts, to be included in bid packages distributed to vendors.¹ Please keep in mind that when comparing prices for multi-year contracts, there are three methods for soliciting prices that can be meaningfully compared:

1. You may require bidders to submit prices that will remain constant for the entire contract term. Under this approach, price comparison is simple. This method is shown on Sample Form A.
2. You may require bidders to submit prices for the first year of the contract that will be adjusted each succeeding year according to a set formula that you specify in your Invitation for Bids (IFB). For example, you could specify that the price will be adjusted annually according to a specific price index, such as the Consumer Price Index for all Urban Consumers-Boston SMSA, published by the Bureau of Labor Statistics. This method is shown on Sample Form B.
3. You may allow bidders to submit different prices for each year of the contract. If you use this method for soliciting prices, you will have to use a formula for calculating the discounted present value of payments made in order to realistically compare the costs. The formula must be included in the IFB. If you choose this method, you may want to seek assistance from your municipal finance department.

Your IFB must also include good, clear specifications, and should include both a fuel escalation/de-escalation clause,² and a wage escalation clause to cover any changes in the prevailing wage rates.

I hope this information is helpful. Please direct any questions to the Chapter 30B team.

Sincerely,

A handwritten signature in black ink that reads "Gregory W. Sullivan".

Gregory W. Sullivan
Inspector General

¹ Please note that the enclosed sample forms are not required, but are provided as one suggested format.

² The attached fuel escalation clauses are for informational purposes only, and should only be used as a guide. The Inspector General makes no claim about the adequacy of the samples, which should not be used as a substitute for the advice of competent counsel.

SCHOOL BUS TRANSPORTATION CONTRACT

SAMPLE BID FORM A

Three-Year Contract

Rule for Award:

All unit prices must remain constant for the entire three-year contract term. One contract for all regular route, kindergarten, late, field and athletic trip buses will be awarded to the responsive and responsible bidder with the lowest grand total price.

Regular Route Buses:

Estimated need: 15 buses for 180 days per year.*

Price per bus per day: _____ x 15 buses x 180 days = _____ Annual Cost

Three-Year Total: _____ (A)Annual Cost x 3 years

*Note: In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Kindergarten Mid-day Buses:

Estimated need: 10 buses for 180 days per year.*

Price per bus per day: _____ x 10 buses x 180 days = _____ Annual Cost

Three-Year Total: _____ (B)Annual Cost x 3 years

*Note: In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Late Buses:

Estimated need: 4 buses for 180 days per year.*

Price per bus per day: _____ x 4 buses x 180 days = _____ Annual Cost

Three-Year Total: _____(C)Annual Cost x 3 years

*Note: In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Field Trips & Athletic Events Buses:

Estimated need: Buses for 100 field or athletic event trips. These trips will require 2500 miles of travel as well as 350 hours of waiting time.**

Price per mile: _____ x 2500 miles = _____ Annual Cost

Three-Year Total: _____(D)Annual Cost x 3 years

Price per hour of waiting time: _____ x 350 hours = _____ Annual Cost

Three-Year Total: _____(E)Annual Cost x 3 years

**In any given year during the contract term, the number of miles may increase or decrease by a maximum of 500 miles, and the number of hours waiting time may increase or decrease by a maximum of 100 hours. Any increase/decrease will be at the unit prices specified on this bid form.

THREE-YEAR GRAND TOTAL: _____(Total A through E)

SCHOOL BUS TRANSPORTATION CONTRACT

SAMPLE BID FORM B

Three-Year Contract

Rule for Award:

One contract for all regular route, kindergarten, late, field and athletic trip buses will be awarded to the responsive and responsible bidder with the lowest grand total price for the first year of the contract. The contract price for years two and three will be adjusted on the contract anniversary date by the percentage increase, if any, during the preceding 12 month period beginning July 1, in the Consumer Price Index for all Urban Consumers-Boston SMSA, published by the Bureau of Labor Statistics.

Regular Route Buses:

Estimated need: 15 buses for 180 days per year.*

Price per bus per day: _____ x 15 buses x 180 days = _____ **(A)** Annual Cost

*In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Kindergarten Mid-day Buses:

Estimated need: 10 buses for 180 days per year.*

Price per bus per day: _____ x 10 buses x 180 days = _____ **(B)** Annual Cost

*In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Late Buses:

Estimated need: 4 buses for 180 days per year.*

Price per bus per day: _____ x 4 buses x 180 days = _____ **(C)** Annual Cost

*In any given year during the contract term, the School may need to increase or decrease the number of regular route buses by a maximum of 5 buses, the kindergarten mid-day buses by a maximum of 3 buses, and the late buses by a maximum of 2 buses. Any increase/decrease will be at the unit prices specified on this bid form.

Field Trips & Athletic Events Buses:

Estimated need: Buses for 100 field or athletic event trips. These trips will require 2500 miles of travel as well as 350 hours of waiting time.**

Price per mile: _____ x 2500 miles = _____ (D)Annual Cost

Price per hour of waiting time: _____ x 350 hours = _____ (E)Annual Cost

**In any given year during the contract term, the number of miles may increase or decrease by a maximum of 500 miles, and the number of hours waiting time may increase or decrease by a maximum of 100 hours. Any increase/decrease will be at the unit prices specified on this bid form.

FIRST-YEAR GRAND TOTAL: _____ (Total A through E)

BID FORM #5

Fuel Adjustment

This bid is based on a gasoline price of _____ per gallon and a diesel price of _____ per gallon and will be hereafter referred to as the "Base Price of Fuel."

The Contractor agrees to maintain accurate and complete records relative to the use of gasoline and/or diesel fuel by each of its Lexington Public Schools' vehicles. These records and all other information requested by the district shall be made available prior to the awarding of any fuel adjustment.

Beginning in the first year of the contract, and continuing for the duration of said contract, a fuel adjustment may be proposed based on the following formula:

When there is an average monthly variation of five cents (\$.05) per gallon or less, up or down, from the base price of gasoline, as established at the time of the contract bid, there will be no adjustment. On the first day of any month of any increase of more than five cents (\$.05) per gallon, additional payment for each one cent (\$.01) per gallon will be made to the contractor for the number of gallons used for transportation. **This must be accompanied by wholesale price verification from the gasoline supplier.** This will continue until gasoline prices come within the five cents (\$.05) per gallon variation allowance. If the average monthly cost of gasoline decreases more than five cents (\$.05) per gallon, a lesser payment of each one cent (\$.01) per gallon will be made to the contractor for the number of gallons used for transportation. This will continue until gasoline prices come within the five cents (\$.05) per gallon variation allowance. In both cases, any adjustment will be made each month for the term of the contract.

The amount of adjustment will be calculated as follows:

Gallons Used Per Day:

Total daily route mileage X miles per gallon of the vehicles

Gallons Used Per Month:

Gallons used per day X number of days that students were transported

Fuel Adjustment:

Gallons used per month X number of cents of variation from the base per gallon price

Signature:
Company:
Title:
Address:
Telephone:
Date:

Bidders shall submit this form fully completed with each bid.

FUEL COSTS

FC1. The amount of fuel consumed for purpose of adjustments will be determined by the total daily route mileage as defined in this contract - as adjusted to meet changing conditions. The adjustment will be based on the average price of fuel for the month as listed by Boston Tank Price to be used for computation of base cost included in these bid documents for the term of this contract. A copy of the price listing by Boston Tank price shall be submitted with the bid.

FC2. The monthly cost of the contract will be adjusted up or down based upon the price of fuel established at the time of the bid. Adjustments will be made only when the price varies from the base by plus (+) or minus (-) \$.05 and the adjustment will be made based on the average price for the month. Copies of the price listing (Boston Tank price) will be submitted when price adjustments are required or when requested by the school system.

FC3. The fuel adjustment will be accomplished using the following:

1. Established starting price of fuel (established at time of bid)
2. The fuel consumption rate in miles per gallon for 65-71 passenger buses shall be six (6). The amount of adjustment will be calculated by using the formula below:

TOTAL DAILY ROUTE MILEAGE =
Miles per gallon (6)

Gallons used per day X number of school days that month X adjusted figure per gallon (only above or below \$.05 per gallon)

***Calculations to be received on a monthly basis.**

Any change in the State motor fuel tax shall be adjusted on a penny-for-penny basis during the life of the contract. It will be separately computed outside the five cent price adjustment limit based on the gallons used per day as calculated in the above formula.

FUEL ADJUSTMENT CLAUSE

1.8 Fuel Adjustment: If the price of fuel increases or decreases by more than \$.199 per gallon from the 'Bid Base Price of Fuel,' 80 percent (80%) of the cost increase or decrease shall be debited or credited to the monthly invoice(s). The increase or decrease shall apply to each category of service, i.e., regular Newton Transportation and Newton METCO transportation, field trips, and athletic events. The fuel cost increase or decrease must remain in effect from the first operating day of the month through the last operating day of the month based on the actual price paid per gallon. In order to receive reimbursement for increased fuel costs as provided herein, the Contractor must provide receipts for said fuel on a monthly basis throughout the contract term as verification of such increase, as well as an accurate accounting (live miles per trip) of the fuel used for the City's services. Miles-per-gallon shall be based on the bus manufacturer's specifications. Under no circumstances shall the City absorb fuel costs not associated with the contract. The Contractor agrees to maintain accurate and complete records relative to the use of fuel under the Contract which shall be made available to NPS or METCO prior to the awarding of any fuel adjustment. (See also "Invoicing", Section 11.6)

Any change in the State motor vehicle fuel tax will be adjusted on a penny-for-penny basis during the life of the Contract. It will be separately computed outside the \$.199 adjustment limit, based on the gallons used per day as calculated above.