



Executive Summary Finance Committee Meeting

DATE: June 10, 2021

TOPIC: Amendment to Contract for Transportation Services August 1, 2021 - July 31, 2022

PREPARED BY: Courtney Whited

Recommended for:

- Action
- Discussion
- Information

Purpose/Background:

The Board of Education approves all contracts greater than \$10,000. Lincolnwood School District 74, in cooperation with SD70, SD71 and SD219, negotiated the original 3-year pupil transportation contract for fiscal years 2016, 2017 and 2018 with First Student, Inc. Then, a two-year extension provided services for fiscal years 2019 and 2020. A one-year extension was executed for fiscal year 2021. An amendment has been prepared for fiscal year 2022 transportation services. The District's Legal Counsel reviewed the document and suggested some minor changes. First Student, Inc. agreed to the changes and submitted the attached final amendment.

Fiscal Impact:

- 2.75% increase on FY21 regular route and charter rates (prior year increase was 5.0%)
- First Student will keep 50% of the \$47,206.36 CARES funds they received from Spring 2020 which is \$23,603.18
- SD74 will pay 35% of lost 2020-21 regular route services which is \$68,134.67 and this total will be reduced by the other \$23,603.18 of the CARES funds so that SD74 will only pay \$44,531.49 parsed out into monthly payments throughout FY22

By keeping half of the CARES funds and requesting payment on 35% of regular routes not run this year, First Student is seeking to recoup \$91,737.85 from District 74. Since First Student already has the CARES money “in hand”, SD74 would only have to pay \$44,531.49 over the course of fiscal year 2022 monthly invoices.

If Covid-19 had not disrupted student transportation in FY20 and FY21, SD74 would have paid First Student approximately \$258,798 more than the District is scheduled to pay. This figure is a sum of the regular and charter losses over the recent two-year period shown in the following tables:

Covid-19 Impact on Regular Routes

	2018-19	2019-20	2020-21
Regular Routes SD74 Paid	\$749,330 Pre-Covid	\$714,549 Mar.-Jun. @ 79%	\$645,400 Est./No Dec. Runs
Contract Delta	Baseline	+2.75%	+5.00%
Actual Delta	Baseline	-4.64%	-9.68%
Actual Delta \$	Baseline	-\$55,388	-\$163,033

Covid-19 Impact on Charter Routes

	2018-19	2019-20	2020-21
Charter Routes SD74 Paid	\$31,857 Pre-Covid	\$25,226 March Covid	\$1,500 Current Year Est.
Contract Delta	Baseline	+2.75%	+5.00%
Actual Delta	Baseline	-20.81%	-95.64%
Actual Delta \$	Baseline	-\$7,507	-\$32,870

Recommendation:

It is the Administrative recommendation that the Finance Committee concurs to recommend to the Board of Education to approve the Amendment to Contract for Transportation Services with First Student, Inc. for August 1, 2021-July 31, 2022, as presented.