



Oak Park Elementary School District 97

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TO: Dr. Albert G. Roberts, Superintendent of Schools

FROM: Therese M. O'Neill, Asst. Supt. Finance & Operations

SUBJECT: Extension of Transportation Contract for 2013-14 and 2014-15

DATE: May 28, 2013

District 97 went out to bid in the spring of 2011 for its transportation contracts (Regular & Special Education) and Lakeview Bus Lines, Inc. was the successful bidder. Therefore, the District entered into a 3-year contract with Lakeview with the opportunity to extend for either one two-year period or two one-year periods. Lakeview has submitted their request for a two-year extension, requesting a 3.0% increase in year one (2013-14) and a 2.5% increase in year two (2014-15). Originally, Lakeview's request was for 3.5% in 2013-14 but recognized that given the CPI for our 2012 levy was 3.0%, agreed to reduce their request by the .5%.

Included in the contract was the provision of an escalator clause specific to gas prices, which in May 2010 (actually 5/24/10) was \$3.119 per gallon. As of April 2013, the per gallon cost of gas is now \$4.292. Lakeview has provided the detail associated with dollars due them for the 2011-12 and 2012-13 (as of April 30, 2013) years, totaling \$92,554.78. Included in their proposal is declining these dollars (\$92,554.78) and removing the escalator clause from the next two years' extension. These dollars are projected to be \$58,800.56. In total, they would be giving up *minimally* \$151,755.34 (\$92,554.78 + \$58,800.56) because I have projected the next two years' escalator by only using one cent per mile (2,940,028 x .01). The range over these past two years has been as low as one cent and as high as fourteen cents so this escalator impact could be even greater than the projected \$151,755.34. I have attached a spreadsheet that delineates these numbers.

The projected net difference between what is due Lakeview for the escalator (\$151,755.34) and what the proposed increase over the next two years would total (\$164,082.12) is \$12,326.78 or .4% over projected actual 2012-13 costs.

Given the outstanding service Lakeview has provided us not only these past three years but the many years before, as well as the minimal overall impact of additional cost to the District for the next two years, it is my recommendation that we extend Lakeview Bus Lines, Inc. contract for the next two school years (2013-14 and 2014-15). As we approach the 2014-15 school year, however, we will be compelled to again go out to bid for these transportation services.

tmo
Attachments (4)



Lakeview Bus Lines Inc.

2400 Maywood Drive
Bellwood, Illinois 60104
(708) 234 5555
Fax (708) 234 5563



TO: Therese O'Neill

5.3.13

FROM: Dawn Johnson, Lakeview Bus Lines

Subject: Contract Extension Proposal

Per our many discussions concerning the possibility of extending the contract with Oak Park, Lakeview would like to kindly submit the following proposal.

Lakeview would like to extend our current transportation contract, as allowed by Illinois law, for two additional years. In discussions and negotiations we kindly ask Oak Park to consider the following.

Year 2013/2014.....3% increase
Year 2014/2015.....2.5% increase

In consideration for the above agreement, Lakeview will fore go its fuel escalator for years two and three of the current contract and remove the fuel escalator from our contract agreement for years 2013/2014 & 2014/2015.

We hope that Oak Park will find this proposal fair to all parties.

Lakeview has enjoyed working with Oak Park over many years in a true spirit of cooperation and we truly want to continue these great working relations with Oak Park for the betterment of the students we transport.

We want to thank Oak Park for these many months of discussion concerning this matter and appreciate greatly their participation and fair negotiations. Attached are the supporting documents.

Please contact me should you need or want additional information.

Once again, we thank you allowing us to transport your students and look forward to a very long term relationship.

Thank You

Dawn Johnson

Transportation Contract Analysis
May 28, 2013

Lakeview Bus Lines, Inc.

| | | | | | |
|---------------------------------------------------------------------------|-------------|---------------------|---------------------|--------------------|-------|
| | | | | | |
| | | | | | |
| | | | | | |
| 2012-13 Cost - through April, 2013 | \$2,648,859 | | | | |
| 2012-13 Cost - prorated to June 30, 2013 | \$2,943,177 | | | | |
| Actual 2011-12 Total Cost | \$2,959,974 | | | | |
| | | | | | |
| Escalator Due Lakeview: 2011-12 | | \$41,283.32 | | | |
| Escalator Due Lakeview - 2012-13 | | \$51,671.46 | | | |
| Projected Escalator @ minimum of 1 cent per mile (2,940,028) - 2013-14 | | \$29,400.28 | | | |
| | | | | | |
| Projected Escalator @ minimum of 1 cent per mile (2,940,028) - 2014-15 | | \$29,400.28 | | | |
| | | | | | |
| Projected Total Due - Lakeview | | \$151,755.34 | | | |
| | | | | | |
| Proposed Increase (3.0%) - 2013-14 | | | \$88,295.31 | | |
| | | | | | |
| Proposed Increase (2.5%) - 2014-15 | | | \$75,786.81 | | |
| | | | | | |
| Grand Total - Proposed Increase | | | \$164,082.12 | | |
| | | | | | |
| Overall Increase/Decrease to District 97 | | | | \$12,326.78 | |
| | | | | | |
| Increase over actual 2011-12 Cost | | | | | 0.42% |
| Increase over projected 2012-13 Cost | | | | | 0.42% |

Oak Park Fuel Escalator Report

5.3.13

| Month | Price | Miles Per Day | Days per month | Miles per month | Running miles total | Fuel Escalator | Cost Per Day | Total |
|--------|-------|------------------|-------------------|--------------------|------------------------|-------------------|-----------------|----------|
| Aug-10 | 3.229 | | | N/C | | | | |
| 10-Sep | 3.312 | | | N/C | | | | |
| 10-Oct | 3.392 | | | N/C | | | | |
| 10-Nov | 3.487 | | | N/C | | | | |
| 10-Dec | 3.493 | | | N/C | | | | |
| 11-Jan | 3.67 | | | N/C | | | | |
| 11-Feb | 3.927 | | | N/C | | | | |
| 11-Mar | 3.873 | | | N/C | | | | |
| 11-Apr | 4.071 | | | N/C | | | | |
| 11-May | 4.14 | | | N/C | | | | |
| 11-Jun | 3.946 | | | N/C | | | | |
| 11-Jul | 3.917 | | | N/C | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 11-Aug | 3.852 | 2561 | 11 | 28171 | 28171 | 0.06 | 1690.26 | |
| 11-Sep | 3.878 | 2561 | 21 | 53781 | 81952 | 0.06 | 3226.86 | |
| 11-Oct | 3.967 | 2561 | 20 | 51220 | 133172 | 0.08 | 4097.6 | |
| 11-Nov | 4.227 | 2561 | 19 | 48659 | 181831 | 0.12 | 5839.08 | |
| 11-Dec | 4.117 | 2561 | 17 | 43537 | 225368 | 0.08 | 3482.96 | |
| 12-Jan | 4.171 | 2561 | 16 | 40976 | 266344 | 0.1 | 4097.6 | |
| 12-Feb | 4.236 | 2561 | 20 | 51220 | 317564 | 0.1 | 5122 | |
| 12-Mar | 4.37 | 2561 | 17 | 43537 | 361101 | 0.12 | 5224.44 | |
| 12-Apr | 4.003 | 2561 | 19 | 48659 | 409760 | 0.08 | 3892.72 | |
| 12-May | 3.997 | 2561 | 22 | 56342 | 466102 | 0.08 | 4507.36 | |
| 12-Jun | 3.698 | 2561 | 1 | 2561 | 468663 | 0.04 | 102.44 | |
| 12-Jul | 3.678 | | | | | 0.04 | 0 | |
| | | | | | | | 0 | 41283.32 |
| | | | | | | | 0 | |
| 12-Aug | 4.072 | 2985 | 8 | 23880 | 23880 | 0.08 | 1910.4 | |
| 12-Sep | 4.099 | 2985 | 18 | 53730 | 77610 | 0.08 | 4298.4 | |
| 12-Oct | 4.217 | 2985 | 22 | 65670 | 143280 | 0.1 | 6567 | |
| 12-Nov | 4.147 | 3091 | 18 | 55638 | 198918 | 0.1 | 5563.8 | |
| 12-Dec | 4.447 | 3117 | 15 | 46755 | 245673 | 0.12 | 5610.6 | |
| 13-Jan | 4.355 | 3143 | 18 | 56574 | 302247 | 0.12 | 6788.88 | |
| 13-Feb | 4.593 | 3143 | 19 | 59717 | 361964 | 0.14 | 8360.38 | |
| 13-Mar | 4.364 | 3143 | 15 | 47145 | 409109 | 0.12 | 5657.4 | |
| 13-Apr | 4.292 | 3143 | 22 | 69146 | 478255 | 0.1 | 6914.6 | |
| 13-May | | | 21 | | | | | |
| | | | | | | | | 51671.46 |
| | | | | | | | | |

This report does not include summer school nor Field Trip/ Athletic trips nor misc. trips.

| | Fuel Costs— per gallon | Increase over Base Fuel Costs | Change in cost per Mile to Base Bid per Mile Costs |
|------------------------|---------------------------|-------------------------------------|----------------------------------------------------------|
| Level 5 Decrease | \$1.119 | \$0.60 | -\$0.06 |
| Level 4 Decrease | \$2.319 | \$0.60 | -\$0.06 |
| Level 3 Decrease | \$2.519 | \$0.60 | -\$0.06 |
| Level 2 Decrease | \$2.719 | \$0.40 | -\$0.04 |
| Level 1 Decrease | \$2.919 | \$0.20 | -\$0.02 |
| Current Cost (5/24/10) | \$3.119 | | |
| Level 1 Increase | \$3.32 | \$0.20 | + \$0.02 |
| Level 2 Increase | \$3.52 | \$0.40 | + \$0.04 |
| Level 3 Increase | \$3.72 | \$0.60 | + \$0.06 |
| Level 4 Increase | \$3.92 | \$0.80 | + \$0.08 |
| Level 5 Increase | \$4.12 | \$1.00 | + \$0.10 |
| Level 6 Increase | \$4.32 | \$1.20 | + \$0.12 |
| Level 7 Increase | \$4.52 | \$1.40 | + \$0.14 |
| Level 8 Increase | \$4.72 | \$1.60 | + \$0.16 |