

Transportation Route Options and Fleet Information

January 25, 2020

Agenda

- ▶ **Transportation (Yellow) Fleet**
 - ▶ Current Driver/Route Status
 - ▶ Fleet Age Averages
 - ▶ Cost Comparisons
 - ▶ Options for Transportation services for 2020/2021
 - ▶ Staff Condition
- ▶ **Transportation (White) Fleet**
 - ▶ Fleet Synopsis
 - ▶ Lease and Purchase Options
 - ▶ Mobility Vans

Current Driver/Route Status

- ▶ 9 - Permanent School Bus Drivers
- ▶ 1 - Driver Instructor
- ▶ 2 - Licensed Mechanics
- ▶ 1 - Licensed Dispatcher
- ▶ 1 - Licensed Manager (Also oversees custodial and risk management)
- ▶ 7 - Substitute School Bus Drivers availability varies due to work restrictions due to pensions and/or work hour preferences and totals 3.0 staff.
- ▶ 8 - Substitute Transportation Assistant van drivers. Availability varies due to same restrictions and totals 4.5 staff
- ▶ 12 general Ed routes
- ▶ 11 Special Needs routes transporting curb to curb and integrated 65-80 students
 - ▶ Currently 65 of our Special needs students transported curb-curb are riding in PRJUSD 9 passenger vans, not yellow school buses, due to the school bus driver shortage.

School Bus Fleet Synopsis

33 Total Buses in Fleet

Total 5 Year Cost \$426,120.59

Year	Age	Mileage	Last 5 yrs Mileage	Parts	Labor \$36.00 hr	Total year costs
2003	16	168,530	40, 209	\$8,641.84	\$4,270.91	\$12,912.75

- According to the National Association of State Director of Pupil Transportation Services
- Average replacement of school bus is 12-15 years, 250,000 miles
- Average maintenance cost per mile is \$.20-\$.65

Cost Comparisons

District	Year	1/2 year	Reduced	Free	One way or 1/2 year	Multiple student discounts	Age group	Routing
Lucia Mar	280.00	Monthly Payments	145.00	10.00	145.00 one way year	None	K-12	Fixed
San Luis Coastal	180.00	90.00	36.00	0	N/A	After 4th free	K-12	Fixed
Templeton	200.00	100.00	N/A	N/A	N/A	None	3-5th	Shuttle
Paso Robles	190.00	190.00*	95.00	Mckinney Vento	100.00 one way 1/2 year	After 1st student multiple 4th free	K-12	Fixed

Option #1

- ▶ Eliminate all General Education bussing
- ▶ 9 Special Needs Routes serving 75-80 students in PRJUSD adaptive school buses utilizing 9 permanent School bus drivers including Instructor daily.
- ▶ 1 Special Needs van route with 5 Deaf Hard of Hearing Sped students (including 1 San Miguel DHH student) utilizing 1 permanent Transportation Assistant driver and 1 PRJUSD van.
- ▶ Transportation recommends moving away from relying on substitute School bus drivers or Transportation Assistant van drivers on a daily basis, or other licensed staff.

Option #2

- ▶ Eliminate General Ed bussing with the exception of Heritage Ranch High School students and San Miguel High School students. Utilizing 3 General ed school buses and 3 permanent School Bus Drivers daily.
- ▶ 6-Special Needs routes serving 65-70 students in PRJUSD adaptive school buses utilizing 6 permanent School bus drivers.
- ▶ 1-Special Needs van route with 5 Deaf Hard of Hearing Sped students (including 1 San Miguel DHH student) utilizing 1 permanent Transportation Assistant driver and 1 PRJUSD van.
- ▶ 3-Special Needs van routes serving non-ambulatory students utilizing 3 substitute van Transportation Assistants and 3 PRJUSD wheelchair vans on a daily basis.

Option #3

- ▶ Outsource all 65-80 Sped students. Routing through specialized companies in the industry equipped to include 9 wheelchairs. Offer Parent Pay Bus Pass Program for General ed transportation for 9 routes. Capacity limited.
- ▶ Outsourced Sped cost approximately \$6,800.00 per day
- ▶ \$1,226,700.00 annually
- ▶ Use remaining funds (Approximately \$500,000) for gen ed routes
 - ▶ Each route is approximately \$50,000 to \$60,000

Program Impact

- ▶ McKinney-Vento students (homeless) mandated transportation
- ▶ After school programs affected are ASES, PRYDE, YMCA, Boy's & Girl's Club
- ▶ Puddle-Shuttle / Baseball / Culinary
- ▶ Increase in parent and student vehicle traffic

Staff Condition

- ▶ Pressure to be on duty and driving while not 100% healthy due to the shortage of licensed school bus drivers.
- ▶ Added workload, less productivity and overtime hours to the additional licensed staff when needed to drive home-school or makeup primary work duties.
- ▶ Non-consistency with student and staff connections due to the use of 15 substitutes on a daily basis.

Discussion and Questions

- ▶ Staff recommends Option #2

White Fleet Synopsis

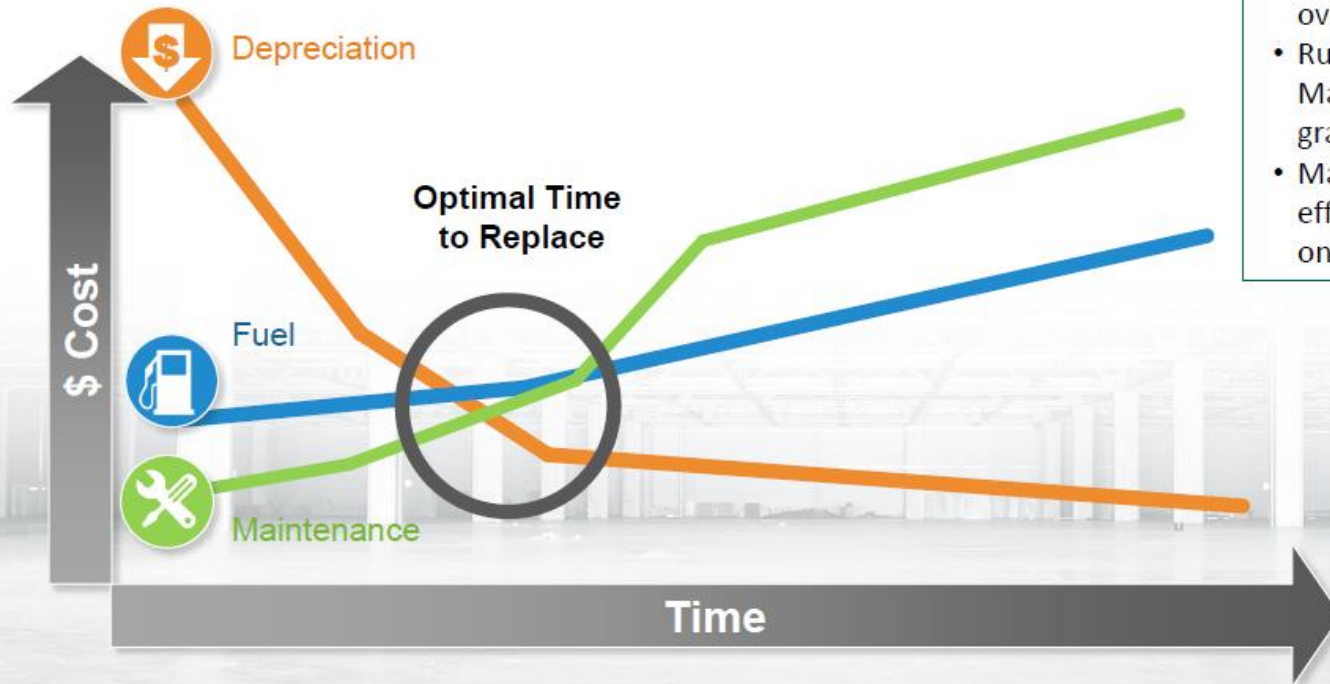
- ▶ **LOWER AVERAGE AGE OF THE FLEET and REDUCE RENTAL EXPENDITURES**
 - ▶ 91% of the District's light duty fleet is over 10 years old
 - ▶ The average age of the vehicles is 17 years
 - ▶ Due to budget constraints, the District has not consistently replaced its light duty fleet
 - ▶ The District spends over \$120,000 Annually in Rental Expenses for student transportation
- ▶ **SAFETY and RELIABILITY CONSIDERATIONS ON OLDER VEHICLES**
 - ▶ 13 of 58 vehicles predate Airbag standardization (1998)
 - ▶ 48 of 58 vehicle predate Anti-Lock Brake standardization (2007)
 - ▶ 56 of 58 vehicles predate Electronic Stability Control standardization (2012)
 - ▶ ESC is the most significant safety innovation since the seatbelt
 - ▶ 58 of the 58 vehicles predate Forward Collision Warning and Blind Spot Warning (2017)

Fleet Synopsis

- ▶ **REDUCE OPERATIONAL EXPENSES WITH NEWER VEHICLES**
- ▶ The District's overall maintenance budget has increased over the years because the vehicles are getting older and require larger repairs
 - ▶ Newer vehicles have a significantly lower maintenance expense
 - ▶ Current Maintenance Costs = **\$0.20 - \$0.65 per mile**
 - ▶ Average Maintenance Cost for a Newer Vehicle = **\$0.03 - \$0.08 per mile**
 - ▶ Newer vehicles have better fuel efficiency, which can cut the fuel costs by 35% to 50%

Fleet Management

EFFECTIVE VEHICLE LIFECYCLE



Key Observations

- Depreciation/year declines over time
- Running costs of Fuel and Maintenance increase gradually over time
- Mandated MPG efficiencies reward staying on technology wave

Lease Option - Enterprise Fleet Management

- ▶ Annual Expenditures with Enterprise Rent-A-Car
- ▶ 2018/19 Year - \$120,768
- ▶ 2019/20 Year - \$145,000 (To date)
 - ▶ 2019/20 Year - Heavier use of vans for day-to-day transportation due to lack of certified bus drivers.

Lease Option

Enterprise Fleet Management

OPEN-ENDED (EQUITY) LEASE RATES

QTY.	VEHICLE TYPE	TERM (months)	ESTIMATED ANNUAL MILEAGE	DOWN PAYMENT W/ TAX	MONTHLY PAYMENT W/ TAX ¹	ANNUAL PAYMENT W/ TAX	ANNUAL PAYMENT W/ TAX BY QUANTITY	ESTIMATED MARKET VALUE AT TERM ⁵	REDUCED BOOK VALUE AT TERM ⁶	ESTIMATED EQUITY AT TERM ⁷
16	2020 Ford Transit-150 Passenger XL Rear-wheel Drive Low Roof Van 129.9 in. WB 10-Passenger	60	14,000	\$0	\$687	\$8,239	\$131,820	\$13,500	\$3,437	\$10,063

NOTES:

Open-ended Leases are based on 60 month term. Service Charge of \$400 per unit is due at lease termination (netted out of the proceeds on the sale of vehicle). [Aftermarket Equipment Cost IS included in the lease payments.](#) Aftermarket parameters for Down Payment is \$0 Money Down for Aftermarket Cost < \$5,000; 25% Money Down of Aftermarket Cost between \$5,000 and \$10,000; and 75% Money Down of the Aftermarket Cost of > \$10,000. [Down Payment has been included in the Lease Cost until aftermarket is confirmed.](#)

1. Base Monthly Payment includes Depreciation, Interest, and Use Tax at 9.25%.
5. Estimated Market/Resale Value is a conservative wholesale value. This value is based on estimates from Enterprise's Remarketing and Automotive Leasing Guide.
6. Reduced Book Value is the amount that is left on the books at 60 months. At lease term, the customer has three options: 1) replace existing vehicle with new vehicle, 2) pay RBV plus tax and own the vehicle, and 3) continue making payments and extend the lease.
7. Estimated Equity is Estimated Resale Value minus Reduced Book Value. The Customer can choose to roll that equity as the down payment on the new vehicle, or Enterprise can cut a check back to the Customer.
8. Monthly Payment Adjusted with Equity is the estimated equity at term calculated back into the payment divided by the term to show the true cost of each vehicle.

Lease Option

Enterprise Fleet Management

Estimated Annual Funds Available	
Annual rental expense (to date) per year	\$ 145,000.00
Estimated annual maintenance savings (Current Expense \$18,000 less Estimated Expense \$8,000, \$500 per year per van)	\$ 10,000.00
Estimated annual fuel savings 16 vans (\$3.50/Gallon, MPG improved by 6 MPG averaging 14,000 miles per year = \$1,125)	\$ 18,000.00
Total	\$ 173,000.00

Enterprise Lease Option - 16 Vans	
Annual payment	\$ 131,820.00
Less residual value recovered from sale of vehicles (\$10,063 X 16 vans = \$161,008 / 5 years = \$32,201 Amortized)	\$ (32,201.00)
Less annual rental expenses	\$ (173,000.00)
Net Savings Per Year	\$ (73,381.00)

Lease Option

Enterprise Fleet Management

▶ MAINTAIN A MANAGEABLE FLEET BUDGET

- ▶ The District can leverage an Open-Ended Lease structure to maximize cash flow opportunities and alleviate the large capital outlay of paying cash for vehicles (**replace more vehicles with less upfront capital**)
 - ▶ No over-mileage charges, No wear and tear charges, and No early termination penalties
 - ▶ **The District has all rights of ownership** & can add aftermarket equipment to the vehicles
 - ▶ The District **receives all Equity on the vehicles** when sold; and can use that equity as the down payment on the new vehicles to lower monthly payments
- ▶ The District will have a **dedicated, local Account Team to proactively manage and develop its fleet** while delivering the highest level of customer service to facilitate the day-to-day needs

▶ RETAIN AND PROVIDE MORE REVENUE TO LOCAL BUSINESSES IN PASO ROBLES

- ▶ Enterprise can factory order the District's vehicles from the manufacturers and drop ship them to the local dealerships, which **gives the dealerships credit for the sale of the vehicles** and keeps the revenues local
- ▶ **Enterprise is a local business** and operates a rental location on Golden Hill Road in Paso Robles

▶ THE DISTRICT CAN PIGGYBACK ON SOURCEWELL CONTRACT #060618-EFM

Purchase Option - GM Financial

Features and Benefits of the GM Financial Municipal Lease Purchase:

- ▶ Low, Tax-Exempt Rates
- ▶ No Excess Wear & Tear Issues
- ▶ No Mileage Restrictions
- ▶ Non-appropriations clause
- ▶ Annual, Quarterly or Monthly Payments Available to Mirror Budget Requirements
- ▶ Municipality is Titled as Owner at Time of Purchase
- ▶ Vehicle(s) Owned at end of Lease Term (Residual = \$1.00)
- ▶ Immediate Acquisition of Vehicle(s) at Current Prices
- ▶ Preserves cash flow - 100% Financing Available
- ▶ Service Contracts can be Included
- ▶ Fleet Service program is available
- ▶ Easy & Convenient Documentation
- ▶ No Processing Fees

Purchase Option - GM Financial

GM Financial Purchase Option - 16 Vans

Annual payment (No Payment in Year One = Arrears)	\$ 110,125.00
Less annual rental expenses	\$ (173,000.00)
Net Savings Per Year	\$ (62,875.00)

\$250,001 to \$500,000						
Term	2	3	4	5	6	7
Annual Advance	\$254,029.96	\$172,023.32	\$131,107.84	\$106,573.81	\$90,066.30	\$78,400.51
Customer Rate	4.469%	3.846%	3.676%	3.590%	3.459%	3.425%
Semi-Annual Advance	\$128,124.55	\$86,749.48	\$66,123.61	\$53,757.51	\$45,425.92	\$39,545.81
Customer Rate	4.119%	3.739%	3.623%	3.559%	3.438%	3.409%
Quarterly Advance	\$64,344.83	\$43,562.39	\$33,207.34	\$26,998.32	\$22,812.65	\$19,861.81
Customer Rate	4.018%	3.699%	3.602%	3.545%	3.428%	3.403%
Monthly Advance	\$21,511.95	\$14,563.16	\$11,101.73	\$9,026.44	\$7,626.89	\$6,640.32
Customer Rate	3.966%	3.677%	3.589%	3.537%	3.423%	3.398%
Annual Arrears	\$262,782.83	\$177,760.17	\$135,477.05	\$110,125.22	\$92,994.93	\$80,949.41
Customer Rate	3.781%	3.587%	3.536%	3.502%	3.398%	3.380%
Semi-Annual Arrears	\$130,330.78	\$88,194.97	\$67,225.33	\$54,652.26	\$46,163.90	\$40,189.88
Customer Rate	3.846%	3.621%	3.557%	3.516%	3.408%	3.388%
Quarterly Arrears	\$64,898.91	\$43,925.58	\$33,483.61	\$27,223.13	\$22,998.51	\$20,023.17
Customer Rate	3.889%	3.642%	3.569%	3.524%	3.414%	3.392%
Monthly Arrears	\$21,573.75	\$14,603.60	\$11,132.50	\$9,051.49	\$7,647.52	\$6,658.45
Customer Rate	3.924%	3.658%	3.578%	3.530%	3.418%	3.395%

Lease /Purchase Option - Side by Side

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*Sale of approximately 12 vans from existing fleet at approximately \$1,000 - ?? Each

Vehicle Types



Summary / Recommendation

- ▶ Staff recommendations a purchase option
- ▶ Competitively bid the financing options
- ▶ Research cooperative purchasing options for vehicles, while encouraging local participation
- ▶ Use estimated savings to purchase wheelchair mobility vans
- ▶ Goal is to be cost neutral
- ▶ Vehicles in operation at the start of next school year