



Ministry of Education Effectiveness & Efficiency Follow-up Review

Halton Student Transportation Services

E&E Follow-up Review

July 2014

Final Report

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The English version is the official version of this report. In the situation where there are differences between the English and French versions of this report, the English version prevails.

À noter que la version anglaise est la version officielle du présent rapport. En cas de divergences entre les versions anglaise et française du rapport, la version anglaise l'emporte.

Executive Summary

This report details the findings and recommendations of an Effectiveness and Efficiency Follow-up Review (“E&E Review”) of Halton Student Transportation Services (hereafter “HSTS” or “the Consortium”) conducted by a review team selected by the Ministry of Education (hereafter the “Ministry”).

The first E&E Review report was issued in December 2009 (the original report) and this follow-up report is intended to document changes made by the Consortium to date. This report is designed to provide an overall assessment of the Consortium and outline the incremental findings and recommendations that were particularly noteworthy.

The E&E Review evaluates four areas of performance – Consortium Management, Policies and Practices, Routing and Technology use and Contracting practices – to identify whether the Consortium has implemented any best practices and recommendations from the original report and to provide incremental recommendations on opportunities for improvement. The evaluation of each area is then used to determine an overall rating for the Consortium that will be used by the Ministry to determine any in-year funding adjustments that are to be provided.

Original review summary

During the original review, the evaluation of Consortium Management concluded that the Consortium had an effective, well defined organization structure; a single transportation service agreement executed with all Member Boards; well-conceived staff training initiatives; effective Consortium performance reporting procedures and strong accounting and budgeting practices. The primary area of improvement for the Consortium was the modification to the governance structure. Other recommendations included appropriately documenting all service relationships; modifications to the long term planning process; and the development of appropriate staff and staffing needs evaluation processes.

At the time of the original review, the Consortium and its Member Boards had invested a considerable amount of effort in the development of an array of documented policies and practices. A review of policies and further refinement was suggested in order to ensure that the desired levels of service were clearly established. The Consortium’s commitment to safety was demonstrated by its safety programs, contractual requirements, compliance auditing, and community involvement. Revisiting student management practices to ensure timely access to required data remained a key task to be completed.

The Consortium had done an excellent job of planning routes to maximize seating capacity use and had focused on minimizing student ride times where possible. The primary concern for HSTS was the distinct Board-centric nature of the route scheme as the philosophy and history of not integrating runs could be preventing the identification of additional efficiencies. It was suggested that the impact of changing the philosophy on cost and resource requirements should be evaluated.

From a Contracting practices perspective, the Consortium had generally thorough, standardized contracts for bus operators; competitive procurement processes; and effective contract management practices. Key recommendations included a re-evaluation of the bus operator compensation formula, the inclusion of key clauses in the taxi operator contract; the development and communication of a formal contract procurement calendar; and increased efforts to meet the Consortium's targeted number of route audits per year.

As a result of the initial review, the Consortium was rated **Moderate**.

E&E Follow-up Review summary

Based on the original E&E Review it was evident that the Consortium had significant room for improvement. Since that time, the Consortium has undergone significant changes in all four of the evaluated areas. Some of the more substantial changes are noted below:

- The Consortium has clarified its governance structure, as well as roles and responsibilities of its operations committee;
- The Consortium has updated its organizational structure into distinct groups that allow for clear lines of reporting;
- The Consortium has developed comprehensive Human Resourcing policies and practices including training and performance evaluations;
- The Consortium has enhanced its long-term strategic and operation plans;
- The Consortium has developed an innovative tool to carry out its long term financial planning;
- The Consortium has developed a communication plan that outlines consistent protocols for communication between the Consortium, Member Boards and other stakeholders;

- The Consortium has consolidated all operating procedures and forms into a single indexed document;
- The Consortium has made enhancements to its bell time management and program location processes;
- The Consortium has developed a comprehensive business continuity plan;
- The Consortium has enhanced its coding structure to support the extraction and analysis of data;
- The Consortium has developed creative non-wage related driver retention strategies; and
- The Consortium has standardized its operator performance monitoring policy and procedures.

The Consortium has considered all of the recommendations that were made in the original report and has taken the necessary steps to implement the required changes. The cooperative and respectful relationships that exist between staff members, as well as between the Consortium and its Member Boards, provide the foundation on which the Consortium's success is based. As a result, a number of new areas have been identified in which the Consortium is operating using industry best practices. The actions and policies of the Consortium demonstrated a commitment to being one of the leading Consortia in the Province. The Follow-up Review has found the Consortium has the cornerstones in place on which it can continue to build in order to achieve additional success in the future.

Funding Adjustment

As a result of this review of current performance, the Consortium has been rated as **High**. Based on this evaluation, the Ministry will provide additional transportation funding to narrow the 2013-2014 transportation funding gap for the Halton District School Board (HDSB) and the Halton Catholic District School Board (HCDSB) as determined by the formula in Table 1. The detailed estimated calculations of disbursements are outlined in section six of this report and summarized below.

Halton District School Board	\$606,612
Halton Catholic District School Board	\$368,058

(Numbers will be finalized once regulatory approval has been obtained.)

1 Introduction

1.1 Background

1.1.1 Transportation Reform

The Ontario Ministry of Education has introduced significant education reforms over the past seven years. One of the focuses of their reforms is in support of school board management processes and a systematic review of school board business operations. Student transportation was the first “line of business” to undergo such a reform since 2006-07.

1.1.2 Follow-up Review

The Ministry has established a multi-phase approach to review the performance of consortia (collectively the “E&E Reviews”) across the province. HSTS was reviewed originally in July 2009.

To encourage continuous improvement, the Ministry has decided to provide follow-up reviews. The follow-up review was triggered at the request of the Consortium as they communicated they had made significant progress since the original review. The purpose of the follow-up E&E Review is to assess the extent of the Consortium’s progress and review evidentiary working papers to support that progress. The report therefore focuses on the incremental changes from the original E&E Review conducted in 2009.

From 2006-07 to the end of 2012-13 school year, the Ministry has provided a total of \$39.5M in additional funding to the reviewed boards.

1.2 Scope of Deloitte Engagement

Deloitte was engaged to lead the E&E Review Team and serve as the management consultants on the E&E Review Team. Deloitte’s overall role is as follows:

- Lead the planning and execution of E&E follow-up reviews for each of the transportation consortia to be reviewed in Phases five, six and seven (currently in phase seven);
- At the beginning of each review, convene and moderate E&E Review Team planning meetings to determine data required and availability prior to the review;

- Review Consortium arrangement, governance structures and contracting procedures;
- Incorporate the results of the routing and technology and policies and practices reviews completed by MPS into the final report; and
- Prepare report for each consortium that has been subject to an E&E Follow-up Review in Phases five, six and seven. The target audience for the report will be the Ministry, the Consortium, and its Member Boards. Once finalized, each report will be released to the Consortium and its Member Boards.

1.3 Methodology and team used to complete E&E Reviews

1.3.1 Team & Methodology

The composition of the team and the methodology used for this follow-up review is the same as in the initial 2009 E&E Review. Please refer to the first report for a detailed description of the team and methodology. The same Evaluation Framework and Assessment Guide were also applied in the follow-up review to ensure consistency in evaluation. For each of the four sections examined in terms of Effectiveness and Efficiency, the existing operations have been analysed based on observations from fact (including interviews) in order to document progress incremental to the 2009 E&E Review. Observations which have been assessed as best practice are documented as accomplishments of the Consortium.

Areas for additional improvement have also been noted. In situations where there has been no incremental progress related to the recommendations from the 2009 E&E Review, those topics remain unaddressed in this report i.e., we have not reported on items that have remained at the same level of effectiveness and efficiency as the original report. The related recommendations from the 2009 report continue to be valid. Incremental accomplishments or areas for improvement are used to revise, as appropriate, the E&E assessment for each of the four sections. The criteria of an effective and efficient Consortium are summarized below:

Consortium management

- Distinct entity focused on providing student transportation services for member boards
- Well defined governance and organizational structure with clear roles and responsibilities

- Oversight body exists with the mandate to provide strategic directions to Consortium management on the provision of safe, effective and efficient transportation service to support student learning
- Management has communicated clear goals and objectives of the Consortium and these are reflected in the operational plan
- The Consortium takes a comprehensive approach to managing human resources
- Well established accountability framework reflected in the set up and operation of the Consortium including documentation of terms in a Consortium Agreement
- Operations are regularly monitored and performance continually improved
- Financial processes ensure accountability and transparency to member boards
- A budgeting process is in place ensuring timely preparation and monitoring of expenses
- All of the Consortium's key business relationships are defined and documented in contracts
- Governance committee focuses only on high level decisions
- Organizational structure is efficient and utilizes staff appropriately
- Streamlined financial and business processes
- Cost sharing mechanism is well defined and implemented
- The Consortium has appropriate, documented procedures and confidentiality agreements in place governing the use of student data and ensuring compliance with Freedom of Information and Privacy legislation

Policies and Practices

- Safety programs are established for all students using age appropriate training tools
- Development of policies is based on well defined parameters dictated by the strategic goals of the governance structure and Consortium Management operating plans

- A mechanism is defined to allow for regular review and consideration of policy and practice changes to address environmental changes
- Established procedures allow for regular feedback on the impact that current and proposed policy and procedural changes would have on costs, safety and service levels
- Regular monitoring and evaluation of policy expectations is conducted to ensure their continued relevancy and service impacts
- Enforcement procedures are well defined and regularly executed with timely follow-up
- Harmonized transportation policies incorporate safety, operational and cost considerations
- Position-appropriate delegation of decisions to ensure the efficiency of decision making
- Operational alternatives to traditional practices are considered and implemented where reasonable and appropriate
- Service levels are well defined, considerate of local conditions, and understood by all participating stakeholders
- Policy and practice modifications for students with special needs are considered in terms of both the exceptionality and its service and cost impacts

Routing and Technology

- Transportation management software has been implemented and integrated into the operational environment
- Key underlying data sets (e.g., student and map data) are regularly updated:
- Responsibility and accountability for the updates is clearly defined and performance is regularly reviewed
- Coding structures are established to facilitate scenario modeling and operational analysis of designated subgroups of students, runs, schools, etc.
- Procedures are in place to use software functionality to regularly evaluate operational performance and model alternatives to traditional practices

- Disaster recovery plans and back up procedures are established, performed regularly, and tested
- Operational performance is regularly monitored through KPI and reporting tools are used to distribute results to appropriate parties
- Technology tools are used to reduce or eliminate manual production and distribution activities where possible in order to increase productivity
- Training programs are established in order to increase proficiency with existing tools
- Route planning activities utilize system functionality within the defined plan established by Consortium management

Contracts

- Contracts exist for all service providers, including taxi, boat and/or municipal transit services and parent drivers
- Contracts are structured to ensure accountability and transparency between contracted parties
- All operator contracts are complete with respect to recommended clauses
- Compensation formulae are clear
- Operator contracts are in place prior to the start of the school year
- Procurement processes are conducted in line with the Consortium's procurement policies and procurement calendar
- The Consortium has laid the groundwork for, or is actively using, competitive procurement processes
- Proactive efforts are made to ensure operator contract compliance and legal compliance
- The Consortium collects and verifies information required from operators in contracts
- The Consortium actively monitors and follows up on operator on-the- road performance using random, documented route audits or their equivalent

- The Consortium avoids using School Board owned vehicles

1.3.2 Funding adjustment

The Ministry will use the results of the E&E Reviews and Follow-up Reviews to inform any future funding adjustments. Only School Boards that have undergone E&E Reviews are eligible for a funding adjustment. Table 1 below illustrates how the Overall Rating will affect a Board’s transportation expenditure-allocation gap.

Table 1: Funding Adjustment Formula

Overall Rating	Effect on deficit Boards ¹	Effect on surplus Boards ¹
High	Reduce the gap by 100% (i.e. eliminate the gap)	No in-year funding impact; out-year changes are to be determined
Moderate-High	Reduce the gap by 90%	Same as above
Moderate	Reduce the gap by 60%	Same as above
Moderate-Low	Reduce the gap by 0%	Same as above
Low	Reduce the gap by 0%	Same as above

As indicated in the Ministry’s numbered memorandum 2010:SB14, the Ministry will only recommend further funding adjustments if the findings of the return visit show positive movement and support a higher overall rating than the previous review.

1.3.3 Purpose of report

This Report serves as the deliverable for the E&E Review conducted on the Consortium by the E&E Review Team during the week of June 16, 2014.

1.3.4 Material relied upon

The Consortium provided a number of documents to the review team prior to the review. These documents were used in conjunction with interviews with key Consortium staff,

¹ This refers to Boards that have a deficit/surplus on student transportation (see Section 6 – Funding Adjustments)

outside stakeholders, and key policy makers to arrive at the assessment and rating of the Consortium.

1.3.5 Limitations on the use of this report

The purpose of this Report is to document the results of the E&E Review of the Consortium. The E&E Review is not of the nature or scope so as to constitute an audit made in accordance with generally accepted auditing standards. Therefore, as part of this E&E Review, Deloitte has not expressed an opinion on any financial statements, elements, or accounts to be referred to when reporting any findings to the Ministry. Additionally, procedures used by the E&E Review Team are not intended to disclose defalcations, system deficiencies, or other irregularities.

2 Consortium Management

2.1 Introduction

Consortium Management encompasses the management of the entire organization providing student transportation services. The analysis stems from a review of the four key components of Consortium Management:

- Governance;
- Organizational Structure;
- Consortium Management; and
- Financial Management.

Each component has been analyzed based on information provided by the Consortium and from information collected during interviews. The analysis included an assessment of areas requiring improvement that were informed by a set of known best practices identified during previous E&E Reviews. These results are then used to develop an E&E assessment for each component. The E&E assessment of Consortium Management for the Consortium is as follows:

Consortium Management – Original E&E Rating: Consortium Management – New E&E rating: Moderate High

2.2 Governance

Governance refers to the way in which an organization is directed and controlled. Establishing administrative structures and processes that facilitate, monitor, measure and improve effective business management are primary responsibilities of an organization's governing body. Three key principles for an effective governance structure are: accountability, transparency, and the recognition of stakeholders. In order to respect these three principles, it is important that the governance body of the organization be independent of the team responsible for the day-to-day operations of the organization.

2.2.1 Original recommendations

Clarify the governance structure, roles and responsibilities

While the roles and responsibilities of the Management and Operations Committee are clearly documented in the Consortium agreement and bylaws, interviews with

Consortium management and governance indicated a lack of clarity with respect to their roles and responsibilities in practice. Much of the ambiguity lies with the role of the Operations Committee; to date this committee has not been executed and many of the functions intended for the Operations Committee have been absorbed by the Management Committee. Interviews indicated that members of Management Committee are satisfied with the governance structure currently in place.

To ensure long term sustainability and stability, it is recommended that the Consortium modify its Consortium agreement to bring it in line with current practices by removing references to the Operations Committee. The Consortium should consider two factors when making these revisions: first, the definition of the Management Committee should clearly define its policy-oriented, strategic role in order to segregate itself from the day-to-day operational responsibilities of the Consortium. Secondly, the revised Consortium agreement should also establish clearer lines of communication and create communication protocols amongst the Consortium, Management Committee and member school boards. Not only will this avoid confusion and misunderstandings, it will also ensure that any specific Board request that impacts the Consortium will flow through the Management Committee and be fully considered by all members. This will make balancing the overall interests of the Consortium a part of the Management Committee's decision making process.

2.2.2 Incremental progress

Governance Structure

At the time of the original E&E review, the Consortium serviced four School Boards – HDSB, HCDSB, Conseil Scolaire Viamonde (CSV) and Conseil Scolaire de District Catholique Centre-Sud (CSDCCS). In August 2013, the two French Boards withdrew from HSTS. The withdrawal was amicable and HSTS has since then taken steps to update governance and other agreements to reflect the change.

Following the original E&E review, the Consortium has taken steps to ensure there is a clear separation of strategic leadership from day to day management of its affairs. A six member Board of Directors, consisting of a Director of Education, Superintendent of Business and Trustee from each Member Board has been formed, as well as an Operations Committee that is comprised of the Superintendent of Business from each Member Board and the Consortium General Manager.

Clarification of roles and responsibilities

Through interviews with the Board of Directors, it was established that the Board is responsible for the establishment of strategic directions and policies, approving budgets

as well as annual reviews of the General Manager. The other responsibilities of the Board of Directors are outlined in the Consortium's communication plan. It was noted that the Consortium's Board of Directors took part in a training session, facilitated by their legal counsel, in regards to the Board of Director's roles and responsibilities along with a read through of the corporate documents executed by the Board of Directors.

The Consortium Agreement clearly states that HSTS day to day operations are overseen by an Operations Committee. The roles and responsibilities of the Committee include the development and pre- approval of operational matters (such as operating procedures, operational plan, operational and capital budgets, communications plan, etc.) to be brought forward to the Board of Directors.

The General Manager also serves as a source of information to the Member Boards, reporting as required on budget matters, policy regulation matters, accounting, auditing and all fiscal matters amongst many others. The Consortium Agreement outlines the protocol to be followed depending on the significance of the information requested. Through interviews with members of the Operations Committee as well as the Board of Directors, it was ascertained that there is a greater sense of clarity with respect to roles and responsibilities of each group than when the original review was conducted.

The Trustees from each Member Board have informal meetings every few months to follow up on common issues such as bus passes for students or extracurricular activities and leverage commonalities between the Member Boards. The General Manager and/or Transportation Manager have been present at a number of these meetings to answer any transportation or Consortium related questions.

2.2.3 Accomplishments

It is recognized that the Consortium now demonstrates the following best practices in addition to the best practices outlined in the original report:

Clarification of governance structure, roles and responsibilities

The Consortium has clearly defined roles and responsibilities for the Board of Directors, the Operations Committee and General Manager. The separation of operations from governance is reflected in the documentation, and was reaffirmed during the review. In addition, the Board of Directors has equal representation from the two Member Boards promoting fairness, allowing for equal participation in decision making, and ensuring that the rights of all Member Boards are considered equally.

The informal meetings held by Trustees from each Member Board provides a unique avenue for the Consortium to communicate directly with Trustees and establish its

credibility that can then be leveraged to continue to drive change and further efficiencies.

2.3 Organizational structure

An optimized organizational structure can promote effective communication and coordination which will enable operations to run more efficiently. The roles and responsibilities within the organization should be well defined. This will lead to operational efficiencies by ensuring tasks are not being duplicated and issues raised can be addressed effectively by consortium management. Ideally, the organization is divided functionally (by department and/or area); all core business functions are identified; and there is an appropriate allocation of general management and operational responsibility.

2.3.1 Original recommendations

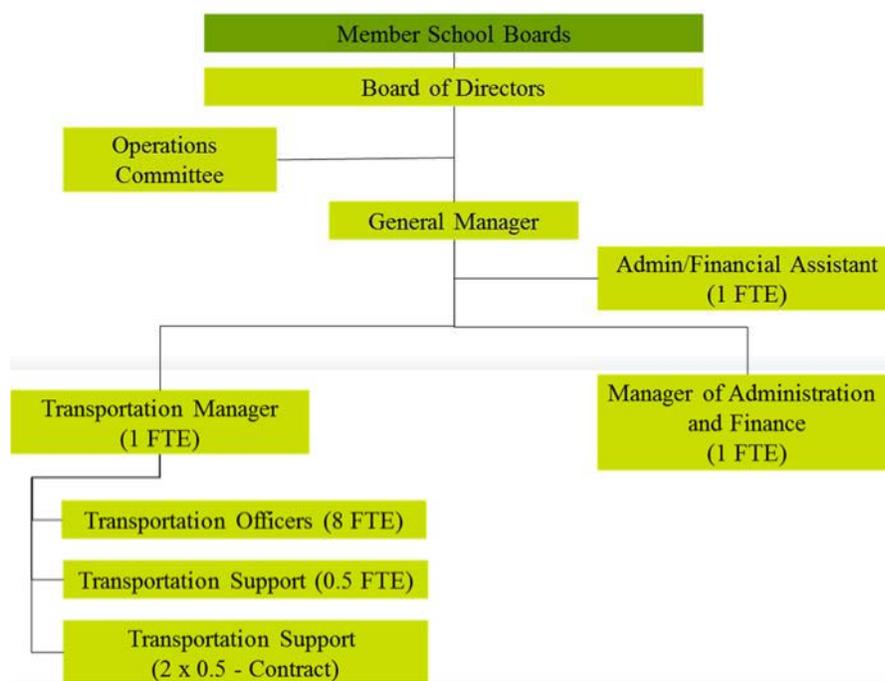
The Consortium did not have any recommendations in this area in the original E&E review completed in July 2009.

2.3.2 Incremental progress

Organization of Entity

HSTS staff are seconded to the Consortium from the two Member Boards. The organizational structure has been updated since the time of the last review as depicted below:

Figure 1: HSTS Organizational Chart



The structure shows that the organization is split into distinct functional groups and allows for clear lines of reporting.

2.4 Consortium Management

Consortium Management focuses on the operational aspects of the organization. This includes ensuring accountability of staff, focusing on continual improvement through operational planning, and risk management by having appropriate contracts and agreements in place to clearly define business relationships.

2.4.1 Original recommendations

Sign a purchase of service agreement with the operator auditing service provider

The Consortium does not currently have a formal contract in place with its operator auditing service provider. Without a contract in place, there is a higher risk that disputes could arise over misunderstandings. Formal agreements should be established for all services purchased to ensure that key elements such as scope of services provided, performance expectations, fees, insurance/liabilities, quality of service, dispute resolution and term are clearly articulated and agreed upon prior to the delivery of service. This is particularly important since the work of this service provider impacts the Consortium's relationship with its most critical service providers - bus operators.

Regularly review staffing needs

It is recognized that the Consortium operates in a geographic area that is experiencing substantial population growth and that this demand growth, combined with the Consortium's efforts to harmonize walk distances, has stretched Consortium staff. As such, it is recommended that the Consortium work to regularly evaluate and address its staffing needs and requirements. This is essential as adequate staffing will allow each staff member to focus more effectively on the execution of his/her daily duties, thus making appropriate staffing a key factor in the provision of safe, efficient and effective transportation.

Develop a staff evaluation procedure

It is recognized that Consortium staff are currently evaluated on a regular basis in-line with their status as seconded employees of member school boards. However, as staff are transferred to the employ of the Consortium, it is critical that a documented staff performance evaluation process be developed and implemented in order to guide and encourage employees to keep the goals and objectives of the overall Consortium in mind during day to day operations. Effective staff evaluations are documented and conducted regularly, with clear evaluation criteria that are in-line with the Consortium's goals and objectives.

Modify the long term and short term planning process

It is recommended that the Consortium make efforts to include staff into its long term and short term strategic and operational planning process by involving them in the development of objectives and assigning the achievement of objectives to them. This will help to ensure that staff are fully invested in the Consortium's goals and will also inspire a team-oriented culture where Consortium staff work together to toward a common objective.

Develop a strategy for declining enrolment

It is recognized that the Consortium has established practices to address instances where ridership numbers indicate a need to change routing strategies and/or vehicle types. This practice will be useful when addressing issues related to areas experiencing declining enrolment. The annual budgeting process also works to try and ensure that annual expenditure targets are in line with revenue. However, the key factors to be considered when reviewing the impact of declining enrolment are not mandated. Given that the Consortium currently has some areas with declining enrolment, and given the Ministry's recent notice that transportation funding is to be reduced in line with declining enrolment, it is recommended that the Consortium incorporate a formal, documented strategy for the management of transportation costs into its long term planning process.

This should be a greater “strategic” type analysis than is currently undertaken that addresses potential future declines of budget allocations in an attempt to proactively address the budget declines before they happen. Developing such a plan will provide the Consortium with a framework that will help it address not only the issue of funding, it will also signal a proactive approach to dealing with issues before they arise – a key element of effective long-term Consortium management.

2.4.2 Incremental progress

Sign a purchase of service agreement with the operator auditing service provider

The Consortium now has a contractual agreement with its third party operator auditing service provider. The agreement outlines the scope of the services to be provided on behalf of the Consortium, as well as the terms and conditions accompanying those services.

Regularly review staffing needs

Since the original review, the Consortium has grown by two full time employees (FTE) and part time Transportation Assistant. It has also filled two other positions on a contract basis, specifically to administer the courtesy seat rider applications and assignments. The contract positions are set up as four month contracts (August 1st– November 30th) since the courtesy application period ends on November 30th each year. In addition the Consortium has obtained approval for one full time Transportation Officer and one full time Administrative Manager beginning September 2014.

Develop a staff evaluation procedure

Since the original E&E Review the Consortium has developed and implemented an administrative procedure for employee performance appraisals and progress reviews as well as various other HR policies on topics such as discrimination and harassment, employment of relatives, workplace violence and diversity to name a few.

The Consortium conducts performance evaluations on all staff on an annual basis. The performance evaluation looks at capability and knowledge on job specific tasks, perceived strengths and growth areas, and overall performance against objectives. In addition, it provides an opportunity for staff and supervisors to collaboratively set goals for the upcoming year, as well as identify any development objectives, such as training activities, in which an employee would like to participate. In addition to the annual reviews, progress reviews are conducted by the Transportation Manager every few months in order to determine how staff are trending towards goals set at the beginning of the year.

From a professional development and training perspective, the Consortium has organized regular staff training for both hard and soft skills. Each employee's progress is tracked in the employee self-service portal for all school board required training. In addition, HSTS has developed a staff training database where all other staff training and professional development is recorded and tracked.

The Chair of the HSTS Board of Directors conducts the annual performance review for the General Manager.

Modify the long term and short term planning process

At the time of the original E&E Review, the Consortium had a strategic plan. However, the Consortium has since updated the planning document, which was approved in the spring of 2014. The strategic planning sessions were facilitated by a third party. The plan documents four high level strategic directions:

1. To be recognized as a leader in consortium governance and management by achieving the following objectives:
 - Being recognized as a leader in service delivery;
 - Setting the standard for internal financial control; and
 - Promoting risk management best practices throughout the organization.
2. To be recognized for equitable application of all policies and practices by achieving the following objective:
 - Being acknowledged for up to date policies and practices meeting the expectations of the organization.
3. To be recognized as a provincial leader in the provision of student transportation by achieving the following objectives:
 - Continuing to develop innovative strategies for route planning and employing the latest technology;
 - Setting the standard for excellence in effective and efficient routes; and
 - Being acknowledged for innovative staff training on routing and technology applications.
4. To be recognized as a provincial leader in procurement and contract management by achieving the following objectives:

- Setting the standard for contract performance management and compliance; and
- Being recognized as a leader in procurement and contract management

For each strategic objective, a list of initiatives and their expected results have been developed. The plan details the resources assigned, deliverables and milestones and completion timeline for each initiative.

The Consortium has an operational plan which is aligned with the strategic plan. The development of the operational plan was facilitated by a third party and involved contribution from every staff member. The operational plan includes roles, responsibilities and timelines of the staff initiatives outlined in the strategic plan, and progress of the plan is tracked on a monthly basis.

Long Term Financial Planning

In addition to routing strategies to deal with changes in enrolment, the Consortium has developed a Long Range Financial Plan which includes a dynamic multiyear financial planning tool. With a minimal number of inputs, the tool is able to calculate a budget estimate for the Consortium and each Member Board on an annual basis, as well as provide a five-year projection for each line item of the budget.

Communication Plan

HSTS has developed a communication plan that outlines protocols for clear and consistent communication amongst the Member Boards. The plan includes communication procedures for areas such as inclement weather, school closures, emergency medical response, accidents/incidents, workplace interruption, student information, governance structure, requests for data, decision making and organizational communication flow.

2.4.3 Accomplishments

It is recognized that the Consortium now demonstrates the following best practices in addition to the best practices outlined in the original report:

Staff Performance Evaluation Program

The Consortium has a fully documented staff performance evaluation system that has clear objectives, timelines, and outlines the responsibilities of both management and staff. In addition, the evaluation program is tied with the training program providing synergies between performance review and future goal setting including training plans.

Short and Long Term Planning

The Consortium has taken steps to include staff into its long term and short term planning process by involving them in the development of their strategic and operational planning documents. This has helped to inspire a culture of continuous, proactive self-improvement, and puts the Consortium in a position to measure its performance against tangible metrics as well as effectively allocate resources to meet objectives.

Long Term Financial Planning

The Consortium has demonstrated long term financial planning capabilities through the development of their long term financial plan, which includes a dynamic multiyear financial planning tool. The use of this tool provides the Consortium with a framework that allows it to take a proactive approach towards dealing with issues (such as changes in enrolment) before they arise, and provides the Consortium with an opportunity to adapt its operations accordingly.

Communication Plan

The communication plan establishes clearer lines of communication and creates communication protocols amongst the Consortium, Operations Committee and Member Boards. This helps to avoid confusion and misunderstandings, as well as ensure that any specific Member Board request that impacts the Consortium will flow through the appropriate channels.

2.5 Financial Management

Sound financial management ensures the optimal use of public funds and also ensures the integrity and accuracy of financial information. This includes appropriate internal controls and a robust budgeting process that has a clearly defined planning and review calendar that promotes accountability and sound decision making.

Financial management policies capture roles and responsibilities, authorization levels, and reporting requirements to ensure that a proper internal financial control system is in place for the Consortium. These policies should also clearly define the financial processes of the Consortium in a way that ensures appropriate oversight without impinging on efficiency.

2.5.1 Original recommendations

The Consortium did not have any recommendations in this area in the original E&E review completed in July 2009.

2.5.2 Incremental progress

Financial and budget reporting

Although HSTS enlists the services of HDSB as a banker board, it maintains complete control over its budgeting processes. The Consortium has developed and documented an operational procedure for financial reporting on a monthly, quarterly and annual basis. Reconciliations are reviewed on a monthly basis for discrepancies, quarterly financial updates are provided to the Operations Committee, and a full reconciliation of all Consortium and Member Board accounts is carried out annually. The banker board (HDSB) prepares financial statements at the end of each year for review by the General Manager and presented to a third party for financial audits, which are carried out at the Consortium.

The banker board (HDSB) has provided the General Manager and Financial Assistant access to the board's financial system to view all Consortium accounts. This access provides Consortium staff the ability to perform budget checks and/or confirmations whenever required.

The draft administrative and operating budget for the upcoming school year is developed by the General Manager and presented to the Operations Committee for pre-approval prior to April 30th and for approval by the Board of Directors on or before May 15th. The budget is based on a bottom up process that examines school and program changes, projected student enrolment changes, and views trends over the last few years. Once the budget is approved, it is uploaded to the HDSB system and HSTS staff provide the budget details to the HCDSB finance staff to upload into their financial system.

The revised budget, based on October 31st data, is presented to the Operations Committee for pre- approval on or before November 20th annually. The revised budget is then formally presented to the Board of Directors for final approval on or before November 30th annually.

Accounting practices and management

The Consortium's process for receiving and processing invoices from service providers starts with the development of a transportation spreadsheet at the beginning of the year. Data pertaining to route time and kilometres is exported from Bus Planner on a monthly

basis and sent to operators to confirm. The route times, kilometres and operating days are confirmed by operators, the information is then used by operators to prepare an invoice which, along with backup details, is sent to the Consortium for verification and authorization. The authorized invoice is then sent to the banker board for payment. To assist the operators with cash flow, HSTS provides a set mid-month payment equal to approximately 35% of the estimated annual contract. The mid-month amount is then deducted/reconciled at month end with the final invoice.

Costs for each Member Board are estimated during the budgeting process. Administrative costs are shared between Member Boards based on an unweighted transported student basis as at October 31st of the previous year, while operating costs are allocated to each Member Board based on the number of weighted students on a given route. The total costs for HCDSB are split into ten, and they are billed on a month to month basis, while HDSB is invoiced monthly based on actual costs since they also serve as a banker board.

The Consortium currently has two employees who are seconded from HCDSB, which sends an invoice for their salaries to the Consortium on a monthly basis. For the employees seconded from the HDSB, HDSB does a payroll journal entry. The Consortium has also developed a process to check that the journal entries for payroll are entered correctly. Going forward, the HDSB will provide a breakdown of payroll costs to the General Manager for approval on a monthly basis. Any discrepancies that arise as a result of this check can then followed up on.

2.5.3 Accomplishments

It is recognized that the Consortium now demonstrates the following best practices in addition to the best practices outlined in the original report:

Budget Monitoring

The Consortium maintains complete control over its budget monitoring and financial management processes. It has established a financial reporting process that keeps the Operations Committee and Board of Directors up to date over the course of the year. This process ensures that the Consortium remains accountable and transparent to each of the Member Boards.

2.6 Results of the Follow-up E&E Review

Consortium Management for HSTS has been assessed as **High**. The Consortium has made significant improvements since the original E&E review in Consortium Management to become a more effective and efficient entity, including clarifying its

governance structure, establishing more concrete roles and responsibilities for its governance and operating committees and developing a communication plan. In addition, the Consortium has established long term strategic and operational plans, and has shown innovation in developing financial long-term forecasting and budget monitoring processes that are considered best practices.

3 Policies and Practices

3.1 Introduction

Policies and practices section of the E&E Review examines and evaluates the established policies, operational procedures, and documented daily practices that in combination establish the standards for student transportation services. The analysis for this area focused on the following three key areas:

- General Transportation Policies & Practices;
- Special Needs Policy Development; and
- Safety and Training Programs.

A review of provided documents, the analysis of extracted data, and onsite interviews with Consortium staff provided the basis for the observations, findings, and recommendations documented in this section of the report. Best practices, as established by the E&E process and the original recommendations provided the source of comparison for each of these key areas. The results were used to develop an E&E assessment for each of the key components and to determine the overall effectiveness of the Consortium's Policies and Practices as shown below:

Policies & Practices – Original E&E Rating: Moderate

Policies & Practices – New E&E Rating: High

3.2 Transportation Policies & Practices

The goal of any transportation operation is to provide safe, effective and efficient services. For transportation consortia, it is equally important that service to each of the Member Boards is provided in a fair and equitable manner. To support this goal, it is essential that well defined policies, procedures, and daily practices are documented and supported. Well defined policies ensure that the levels of services to be provided are clearly established while documented procedures and consistent practices determine how services will actually be delivered within the constraints of each policy. To the degree that policies are harmonized along with the consistent application of all policies, procedures, and practices ensures that service will be delivered safely and equitably to each of the Member Boards. This section evaluated the established policies and practices and their impact on the effective and efficient operation of the Consortium.

3.2.1 Original recommendations

Review and refine policy and procedure statements

Given the relative short time since the formalization of HSTS, it is evident that much work has been dedicated to the development of the array of policies needed to support an effective and efficient transportation operation. To ensure clarity and consistency between the various policies and procedural statements, a review, editing and possible consolidation of policies is recommended. A prime example is in wording of the existing policies on eligibility and courtesy transportation. While the eligibility policy correctly states (based on one primary address) that students electing to attend a school outside of their attendance boundary will not be provided transportation, it does not refer to the courtesy procedures which, pending the meeting of certain criteria, may allow for transportation on a courtesy basis.

Develop additional criteria for hazardous transportation

Currently, hazardous areas are drawn within the Edulog software to assist the Consortium with the planning of runs and the inclusion of students based on hazardous conditions. While this is an appropriate procedure, additional hazardous criteria should be discussed and documented. This will help to ensure consistency in planning across the area served by the Consortium. Examples of additional hazardous areas that are typically documented includes, road speeds, traffic volume, number of traffic lanes, visibility, safe walking paths, and traffic control devices to assist with safe crossing of the roadway.

Further discuss and refine the bell time management policy

Interviews described a situation where although the bell time management policy was generally followed, the school community may not have had a clear understanding of the process that was to be followed and where the request initiated. To fully establish an understanding between the school communities, member school member boards, and the parents, it is recommended that information on the procedure for a change in bell times be periodically distributed and that transparent and comprehensive records are maintained for each request. These records should be based on the requirement of the policy and should, at a minimum, describe who initiated the request, the reasons for a change in bell time, the impact on costs and service, and the resulting recommendation.

3.2.2 Incremental progress

Policy refinement

HSTS's operating procedures and forms have been consolidated into a single indexed document enabling staff members ready access to the Consortium's guiding policies and procedures. Interviews with the Transportation Officers indicated that the consolidated operating procedures serve as the single point of reference and guidance for the planning and management of transportation services. The HSTS website provides direct links to the procedures further reinforcing the role of the Consortium.

HSTS has adopted a rather unique process for the administration of courtesy seat review and approvals. Annually, from August 1st to November 30th, two contracted staff members are hired to assist with the administration of the courtesy seat procedure. The Consortium made a strategic decision to not mention the courtesy procedure within the overall eligibility procedure to reduce any potential confusion as to how eligibility is determined. The Courtesy Seat procedure specifically states that courtesy transportation *may* be granted for otherwise ineligible students for specific or exceptional situations. The administration of the courtesy seat procedure is separately managed to allow the Transportation Officers to be fully focused on effective and efficient planning for eligible students. Having additional staff to administer the courtesy seat procedure also enables a high level of customer support in responding to, and resolving questions or concerns regarding an eligible student's transportation plan.

The courtesy procedure is readily available on the HSTS website. The parameters that are considered during the courtesy approval process are clearly stated and include:

- No additional costs can be incurred;
- The approval will not set a precedent; or
- The approval will not penalize otherwise eligible students.

The conditions that must be met include:

- A seat is available on the bus;
- The bus stop already exists;
- The parent or guardian accepts responsibility for accompanying the student to/from the existing bus stop;
- The bus route and the length of the trip are not affected;

- The need has been identified for the entire school year; and
- The permission is granted for the current school year only.

An analysis of the current student data finds that 2,103 students or 7.4 percent of the 28,400 students are provided courtesy based transportation. While the policy clearly establishes that no additional costs can be incurred, the cost of the additional staff should be considered and reported as a cost of providing courtesy seat transportation.

Transportation eligibility factors

Procedure HS-1-003 - Eligibility Factors; clearly documents the criteria used for granting transportation based on the presence of certain factors or conditions which may warrant the provision of a transportation exemption. Examples of conditions that are subject to review include multi-lane roadways, the crossing of railway tracks, and the suitability or lack of sidewalks.

Interviews with staff indicate that the factors have been posted within the planning software and are uniformly enforced. To ensure the ongoing necessity of providing transportation (based on these factors), the policy also includes a stipulation that an annual review is required, which may result in a change in student eligibility. Consortium staff are directly involved in the annual review process with input from sources including:

- Site visits;
- Changes in boundaries;
- Infrastructure improvements; and
- Changes in the availability of crossing guards.

The results of these annual reviews are presented as recommendations to the HSTS Management Committee for consideration and approval. The review is comprehensive and includes the students whose transportation eligibility may change as the result of infrastructure improvements. Site maps are also given to committee members to provide them with a high degree of detail to support approval of the recommendations.

Bell Time Management

Bell time management procedures are clearly defined in Procedure HS-3-015 which states: HSTS shall review school bell times (start and end times) on an annual basis in order to ensure effective utilization of student transportation services and enhance route efficiencies, wherever possible.

The bell time management procedure is readily available on the HSTS website to ensure its availability to all stakeholders. In response to the original E&E review recommendation and to ensure that school communities understand the process and remain informed as a change in bell times is being considered, the policy was modified to include specific requirements for the notification of school communities. These requirements include:

- *School based requests*: The school principal is responsible for submitting the request to HSTS which includes a document indicating that the proposed change has the support of the school council and superintendent; and
- *HSTS requests*: Based on the results of the annual school bell time review (including the school based bell time change requests), where HSTS is responsible for presenting the recommended changes to the Operations Committee. The Operations Committee is in turn, responsible for presenting the recommendations to their respective School Board's Administrative Council.

Upon approval of a bell time change by the Administrative Council, HSTS provides a full school hour listing for dissemination to the schools and parents. School hours are posted on each of the Member Boards' websites in addition to the school hour postings on each individual school website.

Additionally, HSTS is responsible for maintaining the full bell time listing for both Member Boards. This process ensures that bell times are up to date and are accurately communicated to the school communities.

The refinement and consolidation of procedures and the enhancements to the hazardous criteria and bell time management procedures fully meets the intent of the original recommendation and the expectations of the E&E process.

3.2.3 Accomplishments

It is recognized that the Consortium now demonstrates the following best practices in addition to the best practices outlined in the original report:

Review of transportation eligibility factors

The process for the review of eligibility factors ensures that a predetermined set of factors will be taken into consideration when assessing each student's home to school transportation eligibility. This ensures that transportation is provided in a fair and equitable manner to all of the students that are served.

3.3 Special Needs Transportation

Planning transportation for special needs students presents additional complexities and challenges as planners must consider the physical and emotional needs of each individual student within each student's individual time and distance constraints. Additional factors to consider include equipment needs such as wheelchair lifts, special restraints or harnesses, and medically fragile students who require assistance or medical intervention. Policies specific to the transportation of special needs students are essential to ensure that transportation meets each individual student's needs and is provided in the safest manner possible.

3.3.1 Original recommendations

Inclusion of HSTS in discussions that may result in a change of a programs location

While the overall educational needs of the student should continue to be first consideration, the inclusion of HSTS staff in the placement of special needs programs is recommended to identify locations that support the most effective and efficient route planning.

3.3.2 Incremental progress

Inclusion of HSTS in program location discussions

The Transportation Officers are responsible for the completion of financial impact studies for individual students requiring special needs transportation. These studies include the cost of transporting a student to an alternate location via a taxi or other specialized transportation solution.

As new programs are being implemented or a change in the program's location is being considered, the Transportation Manager and/or the General Manager is responsible for the completion of the financial impact analysis. This inclusion allows for the understanding of the cost and operational impact of the various program locations under consideration. The primary factors that guide program location include:

- The capacity of the school(s) in the area where the program is needed; and
- The growth of special needs programs due to the overall growth in the area.

HSTS is also consulted and involved in providing financial and operational impact studies for the Accommodation Review Committees as new schools are considered or schools are considered for consolidation and closure.

The inclusion of HSTS in program location discussions and the cost analysis processes fully meet the intent of the original recommendation and the expectations of the E&E process.

3.4 Safety Policy

Ensuring student safety is the foremost goal of any transportation organization. In support of providing safe transportation, it is imperative that clear and concise policies, procedures, training requirements, and contractual agreements are developed, documented, monitored, and enforced to ensure that safety standards are understood and followed without exception.

3.4.1 Original recommendations

Re-evaluate Student Information Management Practices

While the Consortium clearly encourages the safe transportation of students by its support and participation of ongoing safety training and awareness programs, addressing the issue of student information needs during incidents and in emergency situations is necessary. Concerns regarding information privacy are reasonable but will need to be considered in light of the impact of not having the necessary information readily available when it is most needed. Developing alternate solutions to obstacles in providing current rider lists to operators and drivers to ensure correct student identification, thus reducing the potential for lost students, ineligible riders, medical support, and accurate information dissemination in the event of a major accident or incident should be considered.

3.4.2 Incremental progress

Student information management

Supported by the use of Adobe Form Central, the Consortium is able to provide all pertinent student information to the operators and drivers. This information can be filtered to eliminate potential concerns of privacy while still providing basic information including:

- Student run rosters;
- Stop locations; and
- Travel plans for special needs students including equipment needs and behavioral issues.

In addition to the student run roster, the identification of secondary students is accomplished by the use of an issued bus pass. Secondary students are issued a color coded pass at the beginning of the school year. These passes are randomly checked by the driver to ensure that they are being used by the student to whom the pass was issued.

The provision of current rider lists and the issuance of bus passes help to ensure that accurate rider information is available in the event of an accident or incident. The use of the software's filtering capabilities ensures that privacy concerns are considered and managed. These enhancements fully meet the intent of the original recommendation and the expectations of the E&E process.

3.5 Results of the Follow-up E&E Review

Policies and Practices for HSTS has been assessed as **High**. It is evident that HSTS and its Member Boards were determined to meet or exceed the original recommendations. The overall refinement and consolidation of HSTS procedures, the enhancement to the hazardous transportation criteria, and the refinement of student information practices ensures that safe and equitable service is provided to all students. Enhancements to the bell time management process and program location process further support effective and efficient planning. These enhancements serve to ensure that HSTS is able to meet its goals of continual improvement and providing a high level of safe, effective, and efficient transportation to the students and Member Boards that it serves.

4 Routing and Technology

4.1 Introduction

Routing and Technology encompasses the management, administration, and use of technology for the purpose of student transportation management. The following analysis stems from a review of the four key components of:

- Software and Technology Setup and Use;
- Digital Map and Student Database Management;
- System Reporting; and
- Regular and Special Needs Transportation Planning and Routing.

Each component has been analysed based on observations from fact, comparison to recommendations in the original E&E, and an assessment of best practices leading to a set of recommendations. These results are then used to develop an E&E assessment for each component, which is then summarized to determine an E&E assessment of Routing and Technical efficiency as shown below:

Routing & Technology – Original E&E Rating: Moderate-High

Routing & Technology – New E&E Rating: High

4.2 Software and Technology Setup and Use

Large and complex transportation operations can benefit greatly from the use of modern student transportation routing and integrated communication systems. These systems are capable of storing and tracking large volumes of student and route data to support effective planning resulting in the most effective use of the available resources. Web based communication tools provide stakeholders with real-time access to current information regarding student's transportation services. While the benefit of these systems is without question, thoughtful implementation is imperative to derive the greatest operational and analytical value from any routing and student data system. This section of the evaluation was designed to evaluate the baseline acquisition, setup, installation, and management of transportation related software.

4.2.1 Original recommendations

The Consortium did not have any recommendations in this area in the original E&E review completed in July 2009.

4.2.2 Incremental progress

Business continuity plan

HSTS has assembled a comprehensive continuity plan. Examples of interruptions ranging from minor to major are provided. Contingency plans have been developed that are designed to provide staff with specific actions plans in the event that the current operations center or system becomes unavailable for use.

Staff Training

Interviews indicated that a focus remains on providing staff with the appropriate level of training necessary for the proficient use of the various software programs and systems in use by the Consortium. A prime example is that with the transition to the BusPlanner route planning software, Transportation Officers have been provided, not only the basic training needed for the daily management of the routes and runs, but also in the more advanced capabilities of the system such as route optimization and route cost analysis.

4.3 Digital Map and Student Database Management

This aspect of the E&E Review was designed to evaluate the processes and procedures in place to update and maintain the student data and map data that forms the foundation of any student transportation routing system.

4.3.1 Original recommendations

Review the current coding structure

As demonstrated by the change in the management of courtesy riders, the establishment of a functional coding structure is necessary on an ongoing basis within any Consortium. An expansion of existing structures to identify specific needs, as is done with the stop coding structure, will allow HSTS to obtain the greatest benefit from the use of the software. It is recommended that a hierarchical system based on codes and the use of the grouping functionality be expanded to facilitate the extraction of data and reporting. In addition, the replacement of text identifiers with codes that can be filtered would promote consistency of data entry and minimize the possibility of inaccuracies when data is being extracted.

Student data management

While the current procedures have proved adequate for HSTS operations, consideration should be given to a more frequent download schedule in order to eliminate the need for supplementary manual processes that result in duplicate data entry requirements at the

school and Consortium. Existing processes used to validate student data would continue to be appropriate when using more frequent downloads without adversely impacting staff productivity. Data availability to schools and operators would also be enhanced as HSTS would be able to rely on established distribution tools, including its website, for data distribution.

4.3.2 Incremental progress

Coding structure enhancement

HSTS has implemented a coding structure that is designed to support the extraction and analysis of data, as well as communications. The coding structure is based on text identifiers which enable the easy identification of the type of transportation that is being provided. The coding structures allows for the creation of reports such as student rosters and budget information. The decision to use a text identifier coding structure was based on ease of use for new staff and other stakeholders including operators, drivers, parents, and school staff. Using courtesy transportation as an example, the coding structure supports a ready understanding of the type of transportation being provided without the need to remember a numerical code. An example of the coding structure is illustrated in the Table 2.

Table 2: Coding Structure Summary

Travel Code	Description
Courtesy	Approved courtesy transportation
Courtesy AM	Approved courtesy transportation
Courtesy PM	Approved courtesy transportation
Big SPED	Special Needs student assigned to a conventional bus
PERMED	Permanent Medical
Out of Boundary	Resides outside Halton

The instruction field in the student record is utilized to communicate specific information, comments or instructions, and guidelines. A common nomenclature has been established to ensure consistency in the way information is entered into the comment fields to support the accurate extraction of data and reporting.

Student data management

In response to the original recommendation, HSTS has implemented a daily download of student data into the BusPlanner software. This process provides the Transportation Officers with the most current student information for the daily management of routes and runs and eliminates the manual processes that were necessary to provide timely service to the students. The more frequent download schedule also supports communications to the parents, schools, and operators allowing the BusPlanner web link to be updated on a twice daily basis.

The Transportation Officer, Route Planning is responsible for the download and verification of data. The update procedure is well documented to ensure its continuance in the event of the absence of the Transportation Officer. The document describes the step by step procedures for the download process and verification of data using the tools within the BusPlanner system.

The enhancements to the coding structure and the student data processes fully meet the expectations of the original recommendations and the E&E process.

4.4 System Reporting

Adequate reporting allows for the early identification of trends that may be detrimental to operations, improves the analytical capacity of the organization, and allows for internal and external stakeholders to be more adequately informed about operations. The purpose of this aspect of the review was to evaluate what reports are typically generated, who receives these reports, and what capabilities exist to develop ad hoc reports.

4.4.1 Original Recommendations

The Consortium did not have any recommendations in this area in the original E&E review completed in July 2009.

4.5 Regular and special needs transportation planning and routing

Transportation route planning is the key activity undertaken by any Consortium. This portion of the review was designed to evaluate the strategies, tactics, and processes used to provide transportation to regular and special education students and the approaches used to minimize the cost and operational disruption associated with both types of transportation.

4.5.1 Analysis of system effectiveness²

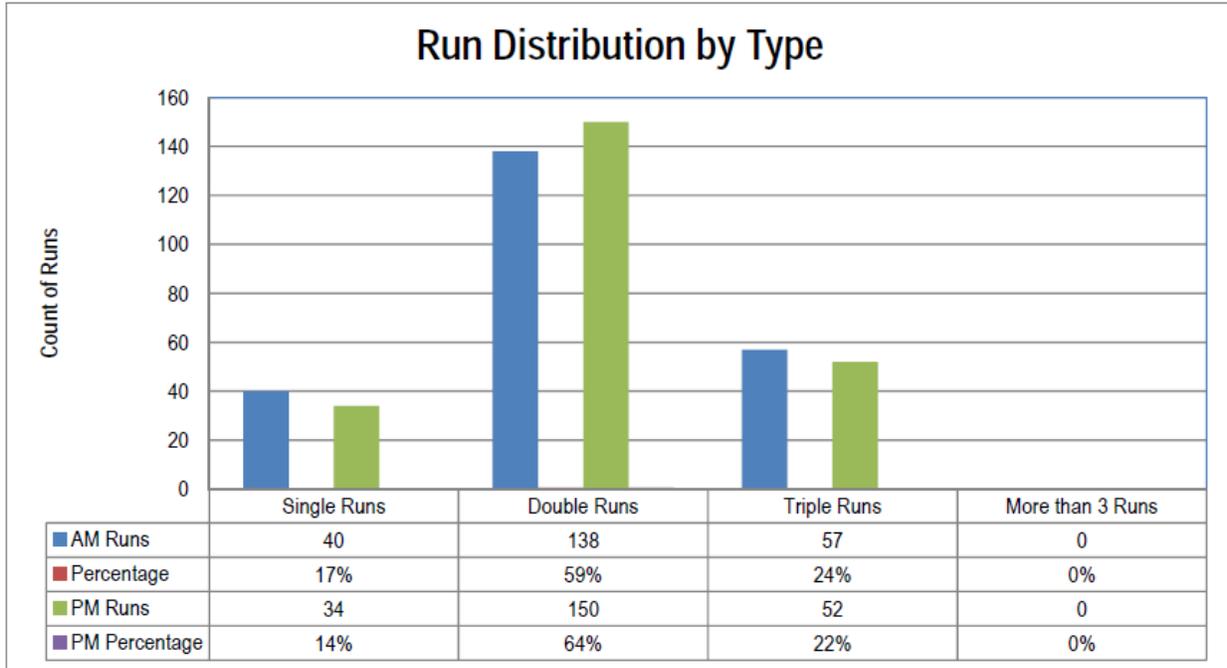
Transportation is provided to approximately 27,824 students on a fleet of over 450 buses to 153 school or program locations. The combined service area totals over 964 square kilometres and includes the municipalities of Milton, Oakville, Burlington, and Halton Hills. The Municipality of Milton is reported to be the fastest growing community in Canada with the total regional population expected to grow by approximately 84,362 residents by 2016. This section evaluates the current level of service and effectiveness against the results noted in the original E&E.

Run distribution

It was noted during the original E&E process that the bell time spread in both the morning and afternoon time panels had small peaks for HCDSB at 8:30 AM and for HDSB at 8:45 and 9:15 AM. A similar condition existed in the afternoon with peaks at 2:40 and 3:10 through 3:15 for HDSB, with nearly half of HCDSB schools dismissing between 2:50 and 3:15. While it was observed that the morning schedule was conducive to run pairing strategies, as it distributed the need for buses over a longer time horizon, the time schedule for the afternoon was found to represent a significant constraint on run integration. A review of the current bell time data finds that afternoon bell times have peaks that begin at 2:30 PM and end at 3:45 PM. While a significant number of afternoon bell times are clustered around 3:00 to 3:15 PM and again at 3:45 PM the overall disbursement is more conducive to the run pairings. As illustrated in Figure 2 below, approximately 83 percent of all buses (72 passenger) are able to perform two or more runs in the morning with 86 percent of the afternoon buses performing two runs or more. This compares favorably with the 80 and 74 percent noted for the morning and afternoon time panels during the original E&E review and is directly related to the improvement in the bell time distribution. It should be noted that with the recent departure of the French Boards from the Consortium, there may be an opportunity to achieve greater efficiencies through an in depth review of bell times.

² All data reported in this section of the report refers to data collected while the E&E team was on site. There may be inconsistencies with some previously reported Ministry data due to differences in the timing of the data collection.

Figure 2: Run Type Distribution



Student ride times

The analysis of student ride times provides a key indication of the overall level of service provided by any transportation organization. Currently ride times average approximately 13 minutes for all students for both the morning and afternoon time panels. Over 90 percent of the students have morning and afternoon ride times of 20 minutes or less. While these results compare very favorably against the results noted during the original E&E of an average of 21 minutes for all riders, it does provide an indication that additional efficiencies are likely by increasing the ride times for students while staying well within the maximum ride time policies. It should be noted that the lower comparative ride times are the direct result of HSTS no longer providing transportation to the French Boards. These results are illustrated in Figure 3 and Figure 4 below:

Figure 3: AM Ride Times

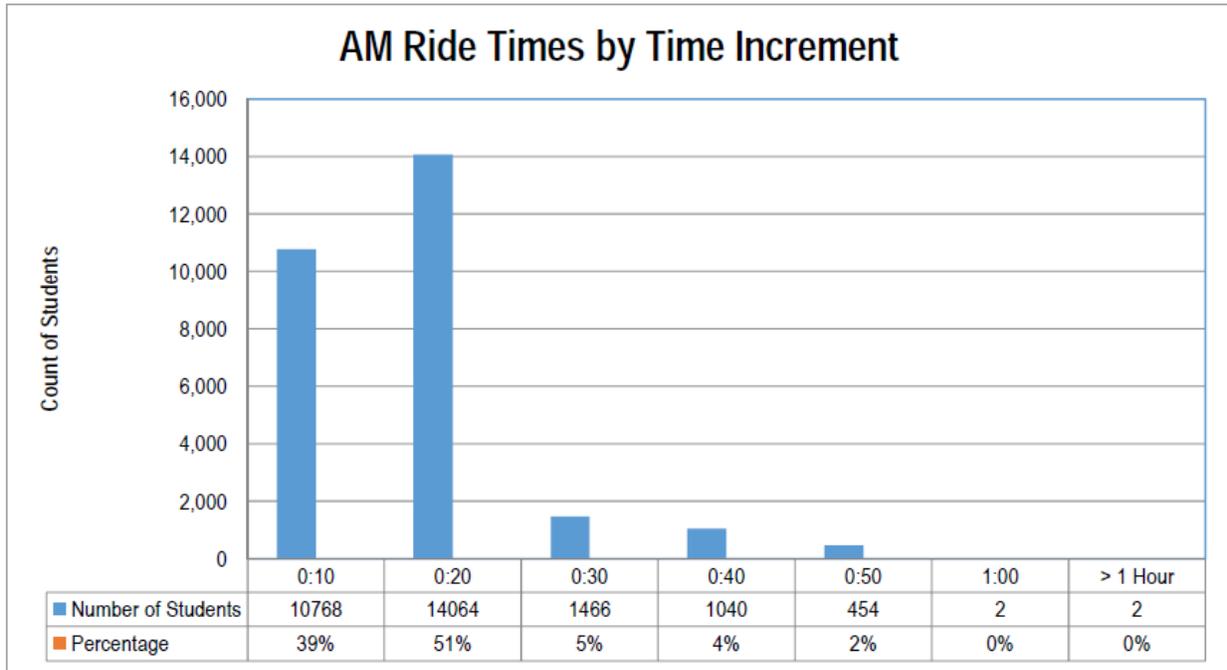
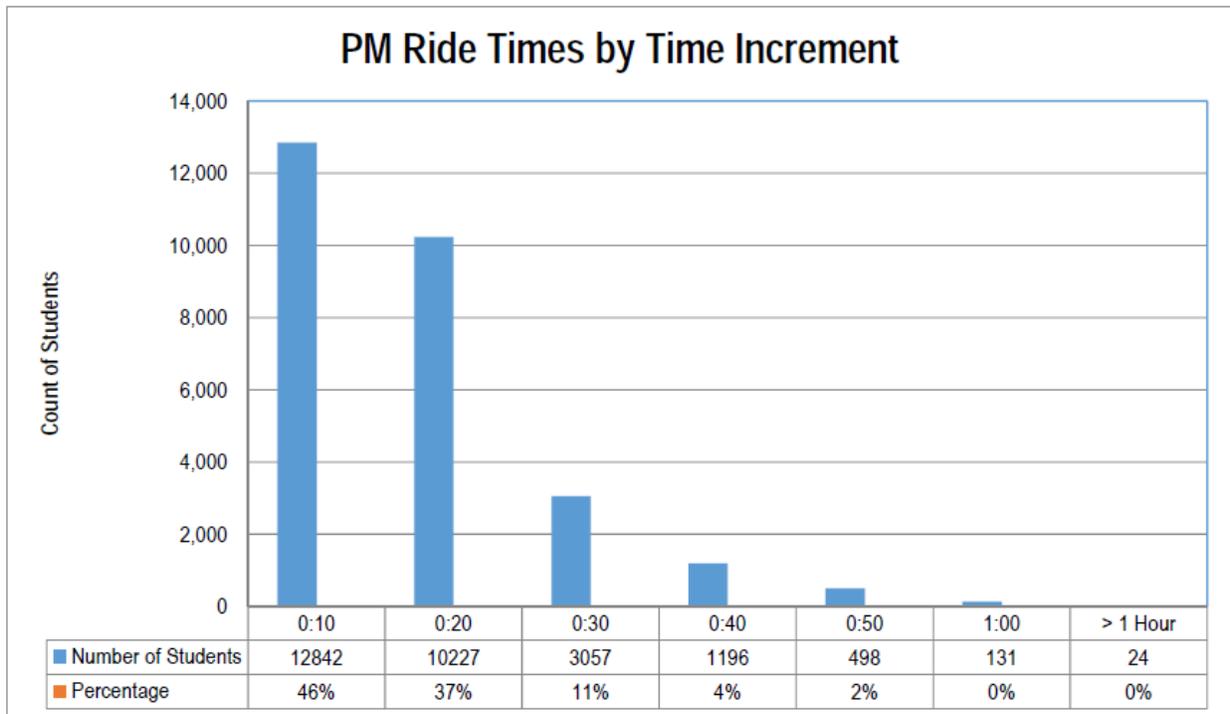


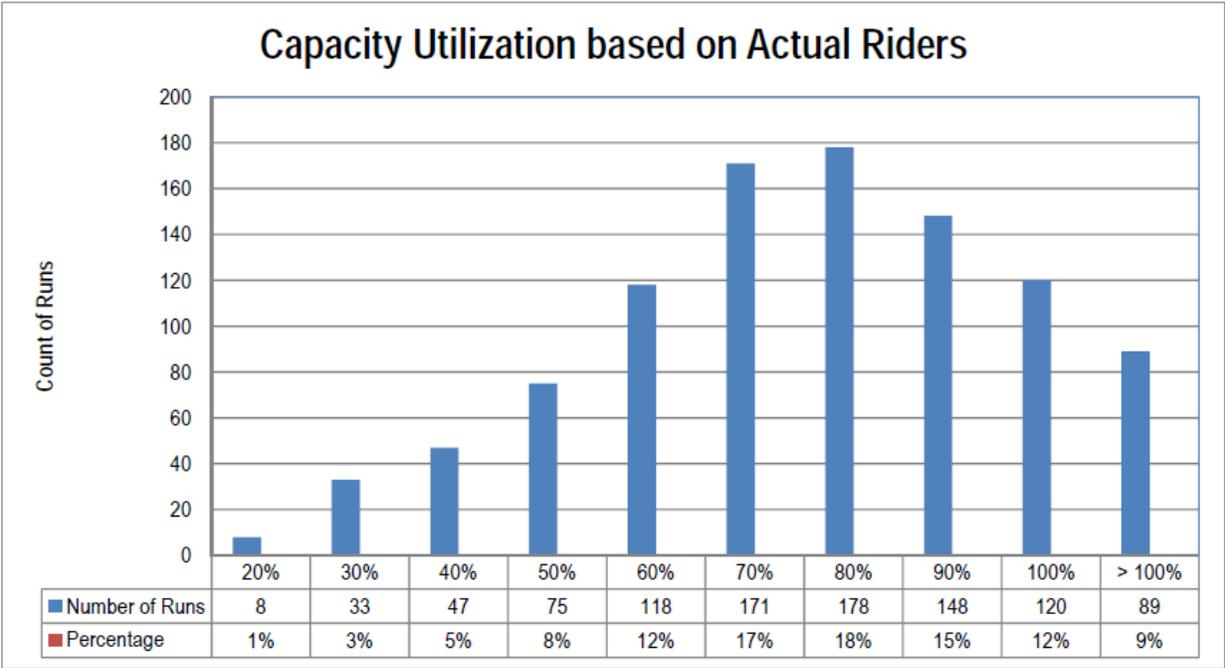
Figure 4: PM Ride Times



Capacity utilization

How effectively a system is able to use the available seating on individual bus runs is a prime indicator of the overall efficiency of a system. The analysis of current data buses with a legal capacity of 72 passengers or more finds that the planned capacity utilization (calculated as total planned riders divided by total available seats based on the legal capacity of the bus) is approximately 92 percent while capacity utilization based on the number of actual riders is approximately 72 percent. It should be noted that the 72 percent is based on a non-weighted average (no additional weighting factor for secondary students) resulting in a much higher rate of actual capacity utilization. These metrics are consistent with industry best practices and again compare favorably with the previous results. These results are illustrated in Figure 5:

Figure 5: Actual Capacity Utilization



4.5.2 Original Recommendations

Integrated run analysis

HSTS should evaluate the impact of integrating runs at the Board level within a pilot area to determine the likely impact to cost and quality across the service area. This analysis would require a significant effort to evaluate bell time change requirements, impact on seating capacity use, asset use, and the number of buses required. Transportation Officers would have to expand their existing process to perform the review recommended here. The lack of integration between the two largest member

school boards in the current system, while offering high levels of capacity use and multiple run strategies may be limiting other opportunities for efficiency.

4.5.3 Incremental progress

Planning and integrated run analyses

The identification of opportunities for increased integration is a primary element of the planning process. Each of the Transportation Officers is responsible for the annual review of routes and runs within their geographical area of responsibility. The Officers focus on the identification of the most efficient routing solution regardless of a student's school of attendance.

Factors taken into account during the optimization process include:

- Traffic patterns and the level of congestion at the school site and the surrounding area;
- The level of site supervision;
- The number of buses servicing the school and the potential for a reduction;
- The configuration and capacity of the loading zone at the school; and
- The resulting level of service must remain within the established level of service parameters.

Information provided by HSTS indicates that the number of shared runs decreased from 327 to 280 for the 2013-14 school year as a direct result of the departure of the French Boards. Due to the efforts of the current planning process for the 2014-15 school year, approximately 325 runs are integrated to date.

This number is expected to further increase as a result of the harmonization of the distance to stop policy. Further analysis of the provided data indicates that approximately 48 percent of the buses are integrated at the route level, serving schools from both Member Boards. While this number is down from the approximately 65 percent observed during the original E&E, it is likely a direct result of the departure of the French Boards.

4.5.4 Opportunities for improvement

While the planning and route optimization process designed to identify and increase integration between the Member Boards meets the expectations of the original

recommendation and the E&E process, it appears that opportunities continue to exist for greater overall efficiency within the system. This is most evident by the majority of ride times that are less than 20 minutes in length.

4.6 Results of the Follow-up E&E review

Routing and Technology for HSTS has been assessed as **High**. It is evident that HSTS and its Member Boards were committed to meeting or exceeding the recommendations presented in the original E&E. With the departure of the French Boards, opportunities appear to exist to increase the overall efficiency of the operation while still providing a high level of service. This will most likely be accomplished through a review of school hours and by modest increases in student ride times in areas where bus capacity utilization is lower. This would allow for greater capacity utilization and a potential reduction in the number of buses required.

5 Contracts

5.1 Introduction

The Contracts section refers to the processes and practices by which the Consortium enters into and manages its transportation and other service contracts. The analysis stems from a review of the following three key components of Contracting Practices:

- Contract structure;
- Contract negotiations; and
- Contract management.

Each component has been analyzed based on observations from information provided by the Consortium, including information provided during interviews. The analysis included an assessment of areas requiring improvement that were informed by a set of known best practices identified during previous E&E Reviews. These results are then used to develop an E&E assessment for each component. The E&E assessment of contracting practices for the Consortium is as follows:

Contracts – Original E&E Rating: Moderate-High

Contracts – New E&E Rating: High

5.2 Contract Structure

An effective contract³ establishes a clear point of reference that defines the roles, requirements, and expectations of each party involved and details the compensation for providing the designated service. Effective contracts also provide penalties for failure to meet established service parameters and may provide incentives for exceeding service requirements. Contract analysis includes a review of the clauses contained in the contract to ensure that the terms are clearly articulated, and a review of the fee structure is conducted to enable comparison of its components to best practice.

³ The word Contract in this context refers to detailed documents outlining the scope of services, rates and expected service levels. The phrase Purchase of Service agreement is used in this report to describe a less detailed document that only outlines the services to be provided and the rates at which they are to be provided.

5.2.1 Original recommendations

Re-evaluate the bus operator compensation formula

The current bus operator compensation formula includes a driver wage enhancement component which is intended to alleviate driver retention issues being experienced by the Consortium. While the Consortium has taken appropriate steps to ensure contract compliance, the effective enforcement of this contract clause would require the Consortium to garner information (such as pay stubs or operator accounting entries) to which it does not rightfully have access.

Given the difficulties involved with ensuring compliance with this clause, and given the issues faced by the Consortium with respect to driver retention, it is recommended that the Consortium re-evaluate this clause and determine potential alternatives that will enhance driver wages while ensuring that all contract clauses can be easily enforced. One possible suggestion may be for the Consortium to modify the compensation formula in the negotiated contract to bring it in line with the formula outlined in the RFP contract since this compensation formula reflects the latest market price associated with effective bus driver retention. The Consortium should also continue to work with its bus operators to develop creative, non-wage related driver retention strategies.

Include additional clauses in the taxi operator contract

It is strongly recommended that the Consortium review its contract with taxi operators to include a clause related to the mandatory provision of First Aid, EpiPen and CPR training for all drivers. This training should be provided to drivers upon hire or soon after hire in order to ensure that drivers have the appropriate skills and training should an emergency arise.

Modify the formula used to allocate routes

Discussions with Consortium management indicated that the Consortium allocates routes among operators based on the proportion of their market share. While it is important to ensure some equity in route allocation among operators, it is equally important to ensure that the Consortium is receiving the best service possible at the rates being paid. As such, it is recommended that the Consortium modify its route allocation methodology to ensure that route allocations are made based primarily on operator performance (including price and service levels as factors).

5.2.2 Incremental progress

Re-evaluate the bus operator compensation formula

The Consortium has revised the standard operator contract to include an updated operator compensation formula. With the completion of the RFP process, all contracts now use the updated formula. The Consortium continues to investigate creative non-wage related driver retention strategies, such as the development of a lunch room supervisor program for the drivers, as well as innovative methods of recognizing drivers for excellent performance. One such method of recognition was a joint letter from the Member Board Chairs commending the bus drivers for their work during the school year. Another method is awarding the drivers with a small token of appreciation and certificates of excellence when they do well on route audits.

Include additional clauses in the taxi operator contract

The contracts now include clauses related to mandatory First Aid, EpiPen, CPR and other safety training requirements for drivers. The Consortium actually pays to have the drivers trained initially, while operators hold the responsibility of getting the drivers recertified.

Modify the formula used to allocate routes

The Consortium no longer allocates routes solely based on proportion of their market share. Routes are allocated based on level of service that has been provided in the past, contract rates and driver turnover.

5.2.3 Accomplishments

It is recognized that the Consortium now demonstrates the following best practices in addition to the best practices outlined in the original report:

Driver Retention Strategies

The Consortium has made a commendable effort to develop non-wage related driver retention strategies. In addition to rewarding excellent performance on route audits, the Consortium recognizes and rewards drivers when Consortium staff receive positive feedback about them from parents, guardians, school staff and member Board staff. The Member Boards have also supported this effort in different ways, most recently through an associated media release appreciating the bus drivers for their work.

Compensation formula

The compensation formula that has now been included in all operator contracts associated with the most recent RFP issued by HSTS. The formula is simple to understand, which limits that amount of time associated with invoice reconciliations, and does not compensate operators for costs that have not been incurred. The simplified formula is consistent with best practices throughout the province.

5.3 Goods and Services Procurement

Procurement processes are intended to provide an avenue through which the Consortium, as a purchaser of services, can ultimately obtain the best value for money. The goal of the Consortium is to obtain high quality service at fair market prices.

5.3.1 Original recommendations

Develop and communicate a procurement calendar

It is recognized that the Consortium does currently have an annual planning calendar in place; however, this calendar does not set a timeline over which the Consortium must procure bus operator services. It is recommended that the Consortium modify its planning calendar to include key dates, milestones and responsibilities related to the procurement of bus operator services. The Consortium should also communicate this procurement calendar to its operators so as to facilitate the operator's annual planning process.

5.3.2 Incremental progress

Develop and communicate a procurement calendar

HSTS has developed a procurement calendar. All of its contracts with operators were established through a competitive procurement process. The Consortium has issued contract extensions on a two year basis and plan to competitively procure contracts in the future.

5.4 Contract Management

Contracting practices do not end after a contract is signed. Ongoing monitoring of compliance and performance of contracted service is an important and valuable practice to ensure that contractors are providing the level of service that was previously agreed upon. Effective contract management practices focus on four key areas:

- Administrative contract compliance to ensure that operators meet the requirements set out in the contract;
- Operator facility and maintenance audits to ensure that operators operate and maintain their facilities and vehicles in line with the standards outlined in the contract;
- Service and safety monitoring to ensure that the on the road performance of drivers and operators reflects the expectations set out in the contract; and
- Performance monitoring to track the overall performance of operators over time.

5.4.1 Original recommendations

Increase resource capacity to ensure that a sufficient number of route audits are conducted

It is recognized that the Consortium performs some route audits of operators and drivers to ensure they are providing adequate service levels to the schools in terms of on-time service, compliance with routes and driver compliance with traffic regulations. However, discussions with Consortium management indicated that the Consortium has not been able to meet its target annual number of route audits due to staffing constraints. As such, it is recommended that the Consortium review staffing levels in order to make sure that it is able to meet its target number of route audits per year. This would allow the Consortium to collect additional data on operator performance and would help to ensure the relevance of the Consortium's operator performance monitoring efforts. Audits are a key component of contract management as they ensure that operators and drivers are complying with stated contract clauses and are ultimately providing safe and reliable service.

5.4.2 Incremental progress

Increase resource capacity to ensure that a sufficient number of route audits are conducted

As mentioned in a previous section, the Consortium has hired two full time employees, one part time and two contract employees since the time of the original review. In addition to these five resources, the Consortium has received approval for two full time employees beginning September 2014. As a result, the Consortium is not only able to meet its annual target of route audits (about 10%) but now has the ability to conduct facility audits.

The facility audits are conducted twice a year – once in the fall by the third party auditing service provider, and once in the spring by HSTS itself, while the route audits are conducted all year round. The route audits check if the buses are on time, if the driver is following the prescribed route and if there is a more efficient way to travel amongst other things. GPS audits are also conducted and an electronic audit form is completed. Electronic audit forms are housed on the HSTS intranet and results are shared with the operators.

Contract performance management

In 2011, HSTS established an informal Contact Performance Management (“CPM”) program with the aim of mitigating risk and enhancing contractor performance through active contract compliance monitoring and performance management. The Consortium formalized the program in 2013 through the development of a document that outlines the roles, responsibilities, performance measures and annual performance management calendar.

The document outlines the specifics of each kind of audit, as well as guidelines on analysis that is carried out on incidents, accidents, customer complaints and the annual customer service surveys. Each year HSTS sends out two surveys — one to school administrators seeking input regarding the transportation (Bus Operator) service, and the second to school secretarial staff and is specific to the service HSTS staff provides to the schools.

5.4.3 Accomplishments

Contract performance management

The Consortium has a comprehensive operator performance monitoring program which includes year round route audits, facility audits and surveys. The development of the contract performance management program provides a formal avenue for the Consortium to obtain standardized feedback on not only the performance of its operators, but on its performance as an organization as well. The feedback obtained provides an opportunity for both the operator and the Consortium to improve their performance.

5.5 Results of the Follow-up E&E Review

The process by which the Consortium establishes, structures, and manages its contracts for transportation services has been assessed as **High**. Since the original E&E review, the Consortium has harmonized the operator contracts to ensure a standard contract that aligns with industry best practices is in place on a Consortium wide basis. The Consortium has also formalized its contract compliance and monitoring process.

6 Funding Adjustment

The Ministry has asked the E&E Review Team to apply their Funding Adjustment Formula to each Board that was subject to an E&E Review. Note that where Boards are incurring transportation expenses in multiple Consortium sites, the Board's adjustment will be prorated for the portion attributed to the Consortium under review. For example, if 90% of Board A's expenditures are attributed to Consortium A, and 10% of expenditures are attributed to Consortium B, the funding adjustment resulting from Consortium A's review will be applied to 90% of Board A's deficit or surplus position.

The Ministry's funding formula is as follows:

Table 3: Funding Adjustment Formula

Overall Rating	Effect on deficit Board ⁴	Effect on surplus Board ⁴
High	Reduce the gap by 100% (i.e. eliminate the gap)	No in-year funding impact; out-year changes are to be determined
Moderate-High	Reduce the gap by 90%	Same as above
Moderate	Reduce the gap by 60%	Same as above
Moderate-Low	Reduce the gap by 0%	Same as above
Low	Reduce the gap by 0%	Same as above

Based on the Ministry's funding formula, in conjunction with our E&E assessment of the Consortium, it is anticipated that the following funding adjustments will be made for each Board:

Halton District School Board

Items	Values
2012-2013 Transportation Surplus (Deficit)	(606,612)
% of Surplus (Deficit) attributed to the Consortium	100.00%
Revised amount to be assessed under the Consortium	(606,612)

⁴ This refers to Boards that have a deficit/surplus on student transportation

Items	Values
E&E Rating	High
Funding Adjustment based on Ministry's Funding Adjustment Formula	100%
2013-2014 Total Funding adjustment	\$606,612

Halton Catholic District School Board

Items	Values
2012-2013 Transportation Surplus (Deficit)	(368,058)
% of Surplus (Deficit) attributed to the Consortium	100.00%
Revised amount to be assessed under the Consortium	(368,058)
E&E Rating	High
Funding Adjustment based on Ministry's Funding Adjustment Formula	100%
2013-2014 Total Funding adjustment	\$368,058

(Numbers will be finalized once regulatory approval has been obtained.)

6 Appendix 1: Glossary of Terms

Terms	Definitions
Act	Education Act
Assessment Guide	The guide prepared by the E&E Review Team and the Ministry of Education which will be used as the basis for determining the overall effectiveness and efficiency of each Consortium
Common Practice	Refers to a set of planning parameters that have been reported by Ontario school boards as the most commonly adopted planning policies and practices. These are used as references in the assessment of the relative level of service and efficiency.
Consortium, the; or HSTS	Halton Student Transportation Services
Deloitte	Deloitte & Touche LLP (Canada)
Driver	Refers to bus Drivers, see also operators
E&E	Effectiveness and Efficiency
E&E Review Team	As defined in Section 1.3
E&E Reviews	As defined in Section 1.3
Effective	Having an intended or expected effect; the ability to deliver intended service
Efficient	Performing or functioning in the best possible manner with the least waste of time and effort; the ability to achieve cost savings without compromising safety
Evaluation Framework	The document, titled “Evaluation Framework for a Transportation Consortium” which supports the E&E Review Team’s Assessment; this document is not a public document
Funding Adjustment Formula	As described in Section 1.3.2
HDSB	Halton District School Board
HCDSB	Halton Catholic District School Board
HR	Human Resources

Terms	Definitions
IT	Information Technology
JK/SK	Junior Kindergarten/Senior Kindergarten
KPI	Key Performance Indicators
Management Consultants	As defined in Section 1.2
Memo	Memorandum 2006: SB13, dated July 11 issued by the Ministry
Ministry	The Ministry of Education of Ontario
MPS	Management Partnership Services Inc., the routing consultant, as defined in Section 1.2 and 1.3
MTO	The Ministry of Transportation of Ontario
Operators	Refers to companies that operate school buses, boats or taxis and the individuals who run those companies. In some instances, an operator may also be a Driver.
Overall Rating	As Defined in Section 1.3.2 of the Evaluation Framework
Partner Boards, Member Boards, School Boards or Boards	The School Boards that have participated as full partners or members in the Consortium.
Rating	The E&E Assessment score on a scale of High to Low, see Section 1.3
Report	The report prepared by the E&E Review Team for each Consortium that has undergone an E&E Review (i.e. this document)
Separate Legal Entity	Incorporation

7 Appendix 2: Transportation Allocation and Expenditure – by School Board

Halton District School Board

Item	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014 ⁵
Allocation ⁶	12,046,997	12,561,319	13,101,570	13,369,970	13,697,244
Expenditure ⁷	11,948,182	12,836,772	13,690,102	13,976,582	14,338,468
Transportation Surplus (Deficit)	98,815	(275,453)	(588,532)	(606,612)	(641,224)

Halton Catholic District School Board

Item	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014 ⁵
Allocation	5,935,806	5,975,014	6,182,427	6,139,189	6,230,217
Expenditure	5,720,231	6,254,457	6,189,584	6,507,247	6,521,564
Transportation Surplus (Deficit)	215,575	(279,443)	(7,157)	(368,058)	(291,347)

⁵ 2013-2014 allocations and expenditures based on Ministry data – Revised Estimates for 2013-2014

⁶ Allocation based on Ministry data – includes all grant allocations for transportation (Section 9 00008C, Section 13 00006C, Section 13 00012C)

⁷ Expenditure based on Ministry data – taken from Data Form D: 730C (Adjusted expenditures for compliance) – 212C (Other Revenues)

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