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Ministry of Education Effectiveness & Efficiency Review

Algoma and Huron Superior Transportation Services

E&E Phase 4 Review

December 2010

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 Review ("E&E Review") of Algoma and Huron Superior Transportation Services (hereafter "AHSTS" or "the Consortium") conducted by a review team selected by the Ministry of Education (hereafter the "Ministry"). The E&E Review evaluates four areas of performance – Consortium Management, Policies and Practices, Routing and Technology use and Contracting practices – to determine if current practices are reasonable and appropriate; to identify whether any best practices have been implemented; and to provide recommendations on areas of 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 may be provided.

The Consortium has taken a number of positive steps in the recent past and has developed and documented numerous effective draft management practices that are yet to be implemented. The main recommendation arising from the assessment of Consortium Management is the attainment of separate legal entity status for the Consortium, and the modification, approval and subsequent implementation of these draft policies and practices. The implementation of these practices, as well as other recommendations relating to the Consortium's human resource, planning, reporting and financial management functions will help to institutionalize effective management practices within the Consortium.

In the area of Policies and Practices, AHSTS has made significant progress in the development and adoption of a formalized operating structure. While great efforts have been put into the development of the policies, additional consideration needs to be given to the actual implementation of the requirements. The recent adoption of the documents should include a communication of expectations to either internal or external stakeholder groups, the lack of which has resulted in limited awareness of the specifics of the procedures, in particular, across the parties interviewed as part of the review. Immediate attention should be given to communicating these requirements with all stakeholders. Additionally, ongoing efforts to bring AHSTS operations into alignment with its procedures should continue.

With respect to the Consortium's Routing and Technology use, the AHSTS has established an innovative solution for providing training to staff that can be shared with consortia across the province. Effective protocols and accountability mechanisms have also been established for the administration of the routing software and ensuring map accuracy. However, improvements will need to be made to the use of the transportation management software in order to increase its overall effectiveness, with a focus on reconciling some data related issues identified in the Routing and Technology section. Opportunities also exist to improve the efficiency of the Consortium's routing scheme through increased use of available seating capacity. A comprehensive routing analysis, including an assessment of bell times, routing strategies, capacity use, and ride times, should be conducted to determine the potential cost and service tradeoffs associated with improving routing efficiency.

The review of the Consortium's contracting practices found that that the Consortium has a complete bus operator contract and effective operator contract management procedures, although modifications to both of these elements are recommended in order to improve the contracting process. Key recommendations resulting from the review include additional refinements to the competitive procurement process used by the Consortium to procure operator services, the modification and implementation of a new contract management procedure, and critical safety modifications to the Consortium's taxi operator contract.

As a result of this review of current performance, the Consortium has been rated **Moderate-Low**. Based on this evaluation, the transportation allocation for the Algoma District School Board, Huron-Superior Catholic District School Board, le Conseil scolaire de district du Grand Nord de l'Ontario, and le Conseil scolaire de district catholique du Nouvel-Ontario will remain unchanged in the 2010-11 school year.

1   Introduction

1.1   Background

1.1.1   Funding for student transportation in Ontario

The Ministry provides funding to Ontario's 72 School Boards for student transportation. Under Section 190 of the *Education Act* (Act), School Boards "may" provide transportation for pupils. If a School Board decides to provide transportation for pupils, the Ministry will provide funding to enable the School Boards to deliver the service. Although the Act does not require School Boards to provide transportation service, all School Boards in Ontario provide service to eligible elementary students and most provide service to eligible secondary students. It is a School Board's responsibility to develop and maintain its own transportation policies, including safety provisions.

In 1998-1999, a new education funding model was introduced in the Province of Ontario outlining a comprehensive approach to funding School Boards. However, a decision was made to hold funding for student transportation steady, on an interim basis, while the Ministry worked to develop and implement a new approach. From 1998-1999 to 2010-2011, an increase of over $267 million in funding has been provided to address increasing costs for student transportation, such as fuel price increases, despite a general decline in student enrolment.

1.1.2   Transportation reform

In 2006-07, the government began implementing reforms for student transportation. The objectives of the reforms are to build capacity to deliver safe, effective, and efficient student transportation services, achieve an equitable approach to funding, and reduce the administrative burden of delivering transportation, thus allowing School Boards to focus on student learning and achievement.

The reforms include a requirement for consortium delivery of student transportation services, effectiveness and efficiency reviews of transportation consortia, and a study of the benchmark cost for a school bus incorporating standards for safe vehicles and trained drivers.

1.1.3   The formation of school transportation consortia

Ontario's 72 School Boards operate within four independent systems:

- English public;

- English separate;

- French public; and

- French separate.

As a result, a geographic area of the province can have as many as four coterminous School Boards (i.e. Boards that have overlapping geographic areas) operating schools and their respective transportation systems. Opportunities exist for coterminous School Boards to form a consortium and therefore deliver transportation for two or more coterminous School Boards in a given region. The Ministry believes in the benefits of consortia as a viable business model to realize efficiencies. This belief was endorsed by the Education Improvement Commission in 2000 and has been proven by established consortium sites in the province. Currently, the majority of School Boards cooperate to some degree in delivering transportation services. Cooperation between School Boards occurs in various ways, including:

- One School Board purchasing transportation service from another in all or part of its jurisdiction;

- Two or more coterminous School Boards sharing transportation services on some or all of their routes; and

- Creation of a consortium to plan and deliver transportation service to students of all partner School Boards.

Approximately 99% of student transportation service in Ontario is provided through contracts between School Boards or transportation consortia and private transportation operators. The remaining 1% of service is provided using Board-owned vehicles to complement services acquired through contracted private transportation operators.

1.1.4   Effectiveness and Efficiency Review

According to the Ministry consortium guidelines, once a consortium has met the requirements outlined in memorandum SB: 13, dated July 11, 2006, it will be eligible for an E&E review. This review will be conducted by the E&E Review Team who will assist the Ministry in evaluating Consortium Management; Policies and Practices; Routing and Technology; and Contracts. These reviews will identify best practices and opportunities for improvement and will provide valuable information that can be used to inform future funding decisions. The Ministry has established a multi-phase approach to review the performance of consortia (collectively the "E&E Reviews") across the province.

1.1.5   The E&E Review Team

To ensure that these reviews are conducted in an objective manner, the Ministry has formed a review team (see Figure 1) to perform the E&E Reviews. The E&E Review Team was designed to leverage the expertise of industry professionals and management consultants to evaluate specific aspects of each consortium site. Management consultants were engaged to complete assessments on Consortium Management and Contracts. Routing consultants were engaged to focus specifically on the acquisition, implementation, and use of routing software and related technologies and on policies and practices.

Figure 1: E&E Review Team
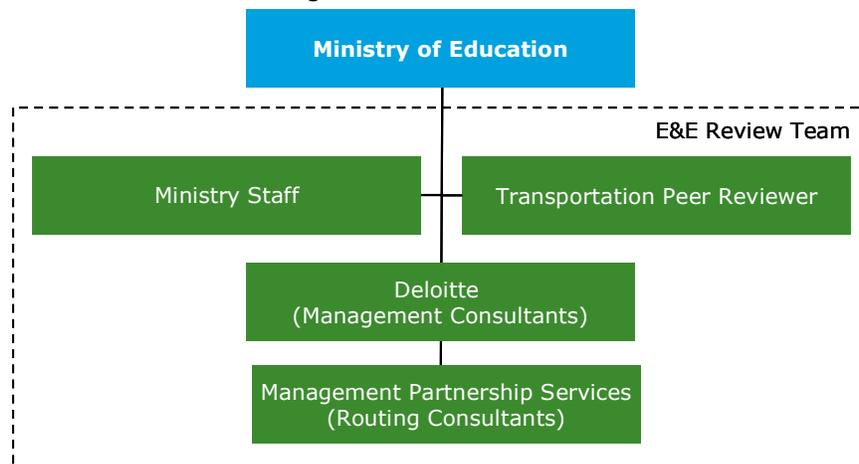
1.2   Scope of Deloitte Engagement

Deloitte was engaged to lead the 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 Reviews for each of the 18 transportation consortia to be reviewed in Phases Three and Four (currently in phase 4);

- At the beginning of each E&E 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 a report for each consortium that has been subject to an E&E Review in Phases three and four. The target audience for the report will be the Ministry, the consortium, and it's Member School Boards. Once finalized, each report will be released to the consortium and its Member School Boards.

1.3   Methodology Used to Complete E&E Review

The methodology for the E&E Review is based on the six step approach presented in Figure 2 and elaborated below:

Figure 2: E&E Review Methodology
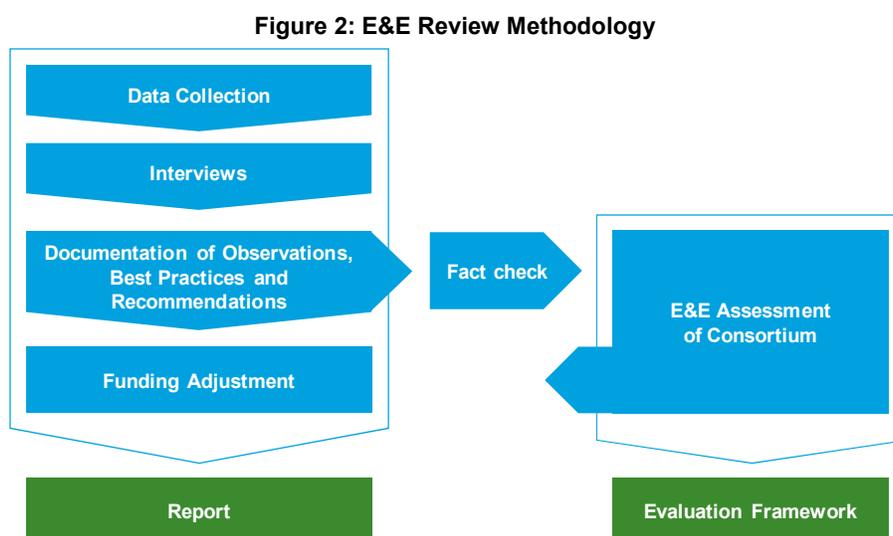
A site review report that documents the observations, assessments and recommendations is produced at the end of a site review. The Evaluation Framework has been developed to provide consistency and details on how the Assessment Guide was applied to reach an Overall Rating of each site.

1.3.1   Step 1 – Data collection

Each consortium under review is provided with the E&E Guide from the Ministry of Education. This guide provides details on the information and data the E&E Review Team requires the consortium to collect, organize and provide.

Data is collected in four main areas:

1. Consortium Management;

2. Policies and Practices;

3. Routing and Technology; and

4. Contracts.

1.3.2   Step 2 – Interviews

The E&E Review Team identifies key consortium staff, outside stakeholders and key policy makers with whom interviews are conducted to further understand the operations and key issues impacting a consortium's delivery of effective and efficient student transportation services.

1.3.3   Step 3 – Documentation of observations, Best Practices and Recommendations

Based on data collected and interviews conducted, the E&E Review Team documents their findings under three key areas:

• Observations that involve fact based findings of the review, including current practices and policies;

• Best Practices used by the consortium under each area; and

- Recommendations for improvements based on the Assessment Guide. Figure 3 below provides a summary of the key criteria used in the Assessment Guide to determine the effectiveness and efficiency of each consortium.

Figure 3: Criteria for an Effective and Efficient consortium

Consortium management	Policies and Practices	Routing and Technology	Contracts
• 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	• 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	• 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 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

1.3.4 Step 4 and 5 – E&E assessment of consortium and site report

The Assessment Guide was developed to enable the E&E Review Team to provide each consortium that undergoes an E&E Review with a consistent, fair, and transparent method of assessment. The Assessment Guide is broken down along the four main components of review (i.e. Consortium Management, Policies and Practices, Routing and Technology, and Contracts) and, for each, illustrates what constitutes a specific level of effectiveness and efficiency (refer to Figure 4 for diagram of process).

Figure 4: Assessment of consortia - Ratings Analysis and Assignment
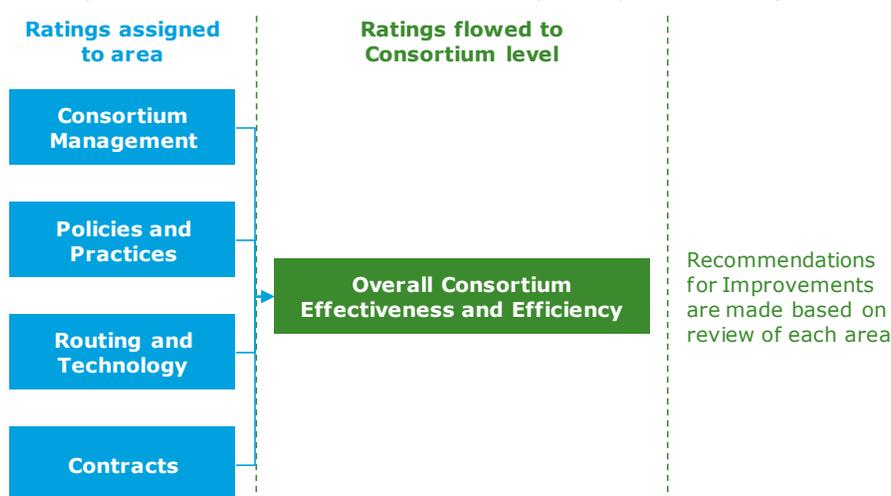
The Evaluation Framework provides details on how the Assessment Guide is to be applied, including the use of the Evaluation Work Sheets, to arrive at the final Overall Rating. The E&E Review Team then compiles all findings and recommendations into an E&E Review Report (i.e. this document).

1.3.5 Funding adjustment

The Ministry will use the results of the E&E Reviews and the cost benchmark study 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

The Ministry has announced, through memorandum 2009:B2 dated March 27, 2009, that effective from the 2009-2010 school year, in addition to the funding adjustments made based on the overall E&E rating, for any consortium not achieving a high rating in Routing and Technology, a negative adjustment of one percent to a Board's transportation allocation will be made to recognize potential efficiencies through ongoing routing optimization and technology use. To acknowledge sites whose systems are already operating in an efficient manner, the adjustment will only apply to School Boards that have not achieved a "high" rating in Routing and Technology from the Effectiveness and Efficiency reviews. School Boards that achieve a "high" rating in the Routing and Technology area in future reviews will be exempt from the reduction in the subsequent year.

1.3.6 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 November 28, 2010.

1.3.7 Material relied upon

Refer to Appendix 3 for a list of documents that the E&E Review Team relied upon for their review. These documents were used in conjunction with interviews with key Consortium staff, outside stakeholders, and key policy makers to arrive at the assessment and rating of the Consortium.

1.3.8 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.

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[1] This refers to Boards that have a deficit/surplus on student transportation (see Section 7 – Funding Adjustments)

2   Consortium Overview

2.1   Consortium Overview[2]

Algoma and Huron Superior Transportation Services ("AHSTS" or "the Consortium") provides transportation services for the Algoma District School Board ("ADSB") and the Huron-Superior Catholic District School Board as Member Boards ("HSCDSB"; collectively the "Member Boards"); with le Conseil scolaire de district du Grand Nord de l'Ontario, le Conseil scolaire de district catholique du Nouvel-Ontario, the Serpent River First Nation and Thessalon First Nation acting as service purchasing entities. The Consortium provides transportation services to approximately 9,500 elementary and secondary students using 250 vehicles covering over 27,500 kilometres each day. The service area covers 72,000 square kilometres, and includes 91 elementary and secondary schools. Transportation services are provided primarily through a combination of busses, taxis, public transit and paid parent drivers.

The Consortium was created in September, 2007 upon the execution of an inter-board transportation Consortium Agreement. The Consortium was formed based on an agreement among the Member Boards and is not a separate legal entity.

The geographic area covered by the Consortium is primarily rural with some isolated urban areas and the city of Sault Ste. Marie serving as the main population centre. The service area stretches from Hornepayne in the north to Heyden in the south as well as from Sault Ste. Marie to Espanola west to the east respectively.

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[2] Data reported in this section of the report may be inconsistent with data presented in other sections due to the different timing of data collection. Data reported in this section of the report includes noon-hour transportation.

Table 2 and Table 3 below provide a summary of key statistics and financial data of each Member Board:

Table 2: 2009-2010 Transportation Survey Data

	HSCDSB	ADSB	CSDCNO	CSDGNO	Total Consortium
Number of schools served	**24**	**50**	**13**	**3**	**90**
Total general transported students	2,657	4,802	771	23	8,253
Total special needs3 transported students	43	145	0	0	188
Total wheelchair accessible transportation	14	68	0	0	82
Total specialized program4 transportation	599	1034	0	0	1633
Total courtesy riders	0	0	0	0	0
Total hazard riders	0	0	0	0	0
Total students transported daily	**3,313**	**6,049**	**771**	**23**	**10,156**
Total public transit riders	35	156	1	0	192
Total students transported including transit riders	**3,348**	**6,205**	**772**	**23**	**10,348**
Total contracted full and mid-sized buses5	67	128	17	1	212
Total contracted mini buses	2	19	4	0	26
Total contracted school purpose vehicles6	3	4	0	0	7
Total contracted PDPV	2	9	0	0	11
Total contracted taxis	15	37	2	0	54
Total number of contracted vehicles	**90**	**197**	**23**	**1**	**310**

3 Includes students requiring special transportation such as congregated and integrated special education students who require dedicated routes and/or vehicles; students who must ride alone; students who require an attendant on the vehicle

4 Includes students transported to French Immersion, magnet and gifted programs, students with special needs who are transported to specialized programs are captured as special needs transported students.

5 Includes full-sized buses, mid-sized buses, full-sized buses adapted for wheelchair use and mid-sized buses adapted for wheelchair use; all vehicle counts are rounded to the nearest whole number.

6 Includes school-purposed vans, mini-vans, and sedans.

Table 3: 2009-2010 Financial Data[7]

	HSCDSB	ADSB	CSDCNO	CSDGNO
Allocation	$3,547,339	$8,213,327	$6,125,802	1,765,402
Net expenditures	$3,410,073	$7,917,407	$6,125,802	2,094,861
Transportation surplus (deficit)	$137,266	$295,920	0	$(329,459)
Percentage of transportation expenses allocated to the Consortium	91.35%	100%	18.43%	3.42%

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[7] 2009-2010 allocations and expenditures based on Ministry data – Revised Estimates for 2009-2010

3 Consortium Management

3.1 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 – E&E Rating:	Moderate-Low

3.2 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 a governance structure. 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.

3.2.1 Observations

3.2.1.1 Governance structure

Governance for the Consortium is provided by two bodies – the Governance Committee and the Administrative Team (collectively the "governance structure"), both of which are established in the Consortium Agreement. The Consortium's governance structure is illustrated below:

Figure 5: Consortium governance structure
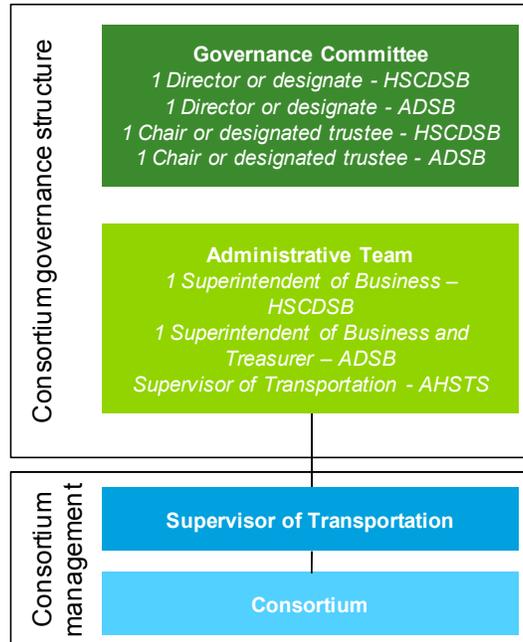
Note: The Supervisor of Transportation acts as a non-voting Secretary to both the Governance Committee and the Administrative Team. The French service purchasing Boards are invited to attend as non-voting members.

The Consortium Agreement outlines the roles and responsibilities of the Consortium's governance structure. The primary responsibilities of the Governance Committee are to, among other things, review and approve the Consortium's budgets; review reports produced by Consortium management and the Administrative Team that propose additional routing efficiencies; mediate and resolve any issues brought forward by the Directors (who are members of the Governance Committee), and review and recommend changes to the Consortium Agreement. The Consortium Agreement mandates that the Governance Committee meet at least twice a year (or as required) and that a schedule of meetings be set out at the inaugural meeting. Chairmanship alternates between the Member Boards. The Consortium Agreement does not outline a voting mechanism, although discussions with members of the Governance Committee indicated that decisions are usually made by consensus. Governance Committee meeting minutes are taken, ratified and signed.

The role of the Administrative Team is defined at a high-level in the Consortium Agreement. The Administrative Team is to be responsible for assessing the performance of the Supervisor of Transportation, and for ensuring that the Consortium has adequate insurance coverage[8]. There is neither a schedule of meetings nor a mandated minimum number of required meetings per year, although discussions with members of the Administrative Team indicated that the Team meets approximately twice every month. The Consortium Agreement does not outline a voting mechanism or a structure for chairmanship of the Administrative Team. Discussions with members of the Administrative Team indicated that decisions are usually made by consensus. Administrative Team meeting minutes are taken, ratified and signed.

Discussions with members of the Consortium's governance structure indicated that the Governance Committee acts as the primary decision making body for issues related to policy and the Consortium's

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[8] Schedule B of the Consortium Agreement lists the role of the Supervisor of Transportation, although it is referenced in the body of the document as outlining the role of the Administrative Team

financial performance. These discussions also indicated that meetings of the Governance Committee have become less frequent as the Administrative Team's responsibilities have increased, and that the Governance Committee met once during the last school year. Members of the Governance Committee indicated that the bulk of its function is currently conducted on an informal basis.

Discussions with members of the Administrative Team indicated that its role has been broader than that outlined in the Consortium Agreement. Its primary function has been to provide regular decision making in order to support the Consortium's development, with a view towards increasing its operational independence over time. As such, its responsibilities have included matters such as developing and approving policies and budgets, and negotiating contracts and rate increases with operators. Members of the Administrative Team indicated that they intend to become less involved in these matters as the Consortium matures.

3.2.1.2 Board level governance and arbitration clause

A Member Board level arbitration clause is provided in the Consortium Agreement, which states that disputes will first be escalated to the Senior Business Officials of each of the Member Boards and, failing resolution, escalated to the Directors of Education of both Member Boards. Should the Directors be unable to resolve the issue, the Directors on the Governance Committee will be tasked with selecting a mediator. Should the issue continue to remain unresolved, the dispute shall be settled through arbitration under the *Arbitration Act*.

3.2.2 Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

Structure of governance

The Consortium's governance structure has equal representation from each Member Board in terms of membership. Equal representation promotes fairness and equal participation in decision making and ensures the rights of each Board are considered equally.

Meetings of the Governance Committee

The Governance Committee is required to meet at least twice a year (more if required) and requires both a formal agenda and meeting minutes, making the Consortium accountable and transparent to its stakeholders. However, it is suggested that the Governance Committee either meet the minimum number of times required by the Consortium Agreement, or alter meeting requirements in the Consortium Agreement.

Dispute resolution

A Member Board level dispute policy is in place. The policy is an effective mechanism to protect the rights of Member Boards and will also help to ensure that decisions made represent the best interests of parties involved.

3.2.3 Recommendations

3.2.3.1 Continue the process of separating Consortium operations from governance

It is recognized that the Consortium's limited staff contingent has required the Administrative Team to be involved with Consortium's development to ensure that the Consortium is in a position to be operationally independent in the long term. This has required the Administrative Team to be involved with some aspects of the Consortiums operations. Members of the Administrative Team expressed a desire to become less involved with the Consortium's operations over time. Going forward, it is recommended that the Administrative Team make all efforts necessary to separate itself from operations of the Consortium, since an effective governance structure calls for a clear line to be drawn between those individuals that are responsible for ensuring the smooth function of all of the Consortium's activities, i.e. its operations, and those individuals that are responsible for the oversight of those activities.

3.2.3.2 Align the documented role of the governance structures with day-to-day practice

Discussions with members of the Administrative Team and a review of meeting minutes indicate that the Team's role has been broader than that prescribed in the Consortium Agreement. In order to increase the clarity of the Consortium's governance structures, and to further delineate the Consortium's operational functions from its oversight functions, it is recommended that the Consortium Agreement be modified to better reflect the actual oversight roles and responsibilities of the Administrative Team. In addition, and in

line with recommendation 3.2.3.1 above, particular attention should be given to ensuring that the Administrative Team's roles do not affect the independence of the Consortium's operations.

3.2.3.3   Provide additional clarity on procedural elements related to the governance structures

It is recommended that the Consortium Agreement be modified to include additional information on voting mechanisms and the structures used to determine chairmanship for both the Governance Committee and the Administrative Team. The inclusion of such information will not only enhance the clarity of the Consortium's governance structures, it will also provide a common reference point for the resolution of potential future disputes. It is further recommended, in a manner similar to that of the Governance Committee, that a minimum number of Administrative Team meetings be mandated and a pre-determined schedule of meetings be established.

3.3   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.

3.3.1   Observations

3.3.1.1   Entity Status

The Consortium was formed based on an agreement between the Member Boards. The Consortium Agreement acts as the Consortium's primary founding document and is outlined in the section below.

3.3.1.2   Consortium formation and agreement

The Consortium Agreement establishes the AHSTS as the administrator of all home-to-school, school-to-school and special needs transportation services for the Member Boards. It outlines, among other things:

- The structure, roles and responsibilities of the Consortium's governance structure;

- The principles underlying the Consortium's cost sharing mechanisms, although a specific formula is not identified;

- Specific operational concerns related to the employment of staff, and the management of eligibility appeals and bell time adjustments; and

- Clauses related to arbitration, indemnification and mandated insurance requirements.

The Consortium Agreement also states that the Member Boards disclaim any intention to create a partnership and that none of the Member Boards will be responsible for claims, losses, costs or damages associated with the actions of another Member Board.

3.3.1.3 Organization of entity

As identified in the Consortium Agreement, all Consortium staff are employees of their respective Member Boards and maintain all rights and privileges within the terms of their employment. Currently, all Consortium staff are employed by the ADSB. The organization of Consortium staff is illustrated below:

Figure 6: Organization Chart
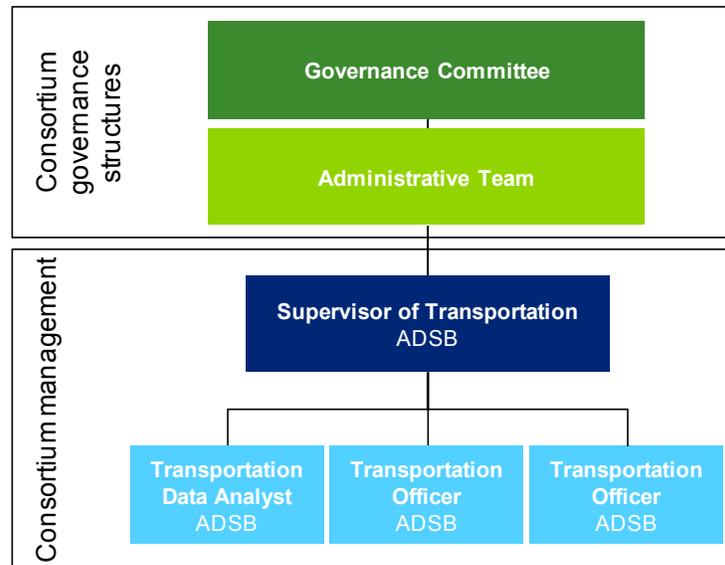
In addition to the staff members noted above, the Consortium also utilizes the assistance of two ADSB-employed Area Coordinators, who act as a liaison to the local communities in the northern and eastern portions of the Consortium's service area. They primarily assist on issues related to data transfer, identification of adverse weather and other operational questions. Transportation is one of the numerous responsibilities undertaken by the regional Area Coordinators and this role takes up between 3-7 hours of their time each week.

All Consortium staff currently have Consortium-specific job descriptions that have been incorporated into the roster of job descriptions held at the ADSB. These job descriptions outline each of their specific responsibilities; decision making authorities; qualifications and reporting/delegation authority.

Discussions with Consortium management indicated that while the Consortium has been able to fulfil the obligations of its current operational expectations, the organization is concerned that it may not have sufficient human resources to meet any additional operational expectations while maintaining current response standards, including those that may be expected through the implementation of recommendations associated with the E&E Review process.

3.3.2 Recommendations

3.3.2.1 Establish the Consortium as a separate legal entity

The Consortium was formed based on an agreement among the Member Boards and is not currently a separate legal entity. The current structure has several inherent risks which make it a less than optimal structure for coordinating student transportation:

- The risk that the actions of one Member Board may be leaving the other Member Boards open to liability;

- The risk that one Member Board can be involved in litigation for issues involving students that are not part of their School Board; and

- The risk that liability, brought about through the Consortium's joint status, may exceed its Member Board's existing insurable limits. The Consortium should investigate, with the assistance of its Member Board's insurance carrier, its coverage related to, but not limited to, punitive damages, human rights complaints, and wrongful dismissal lawsuits. It is recommended that the Consortium investigates, with its insurance carrier, the applicability of errors and omissions insurance.

Based on these risks, which may not be fully addressed through clauses in the Consortium Agreement related to the sharing of liabilities, the Member Boards should explore the establishment of the Consortium as a Separate Legal Entity through incorporation to formalize and improve its current managerial and contracting practices. The creation of a Separate Legal Entity effectively limits risk to the Member School Board for activities related to the provision of student transportation and will also help to further separate the Consortium's oversight structures from its operational functions. When an incorporated entity takes responsibility for student transportation services, this incorporated entity status is an effective safeguard against any third party establishing liability on the part of Member Boards. A Consortia Entity Resource Guide available through the Ministry's student transportation website can provide further assistance with this planning and decision making process.

Upon attainment of separate legal entity status, the Consortium should execute transportation service agreements with all participating Boards. This document should outline all clauses that are relevant to the provision of transportation services such as the scope of services to be provided, fees, insurance/liabilities, quality of service, and dispute resolution.

3.3.2.2   Clarify the role of the ADSB Area Coordinators

In line with recommendation 5.5.2.1, the Consortium should document and clarify the role of the ADSB Area Coordinators and their relationship with the Consortium in order to increase the clarity of the Consortium's organizational structure. If it is decided that these individuals will not be integrated into the AHSTS organizational structure, it is recommended that the Consortium include their services as part of the purchase of service agreement between the AHSTS and the ADSB.

3.4   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.

3.4.1   Observations

3.4.1.1   Cost sharing

The Consortium's methodology for sharing costs is currently formulated on a spreadsheet that has been agreed upon by the Superintendents of Business from all Boards. Neither the formula used nor the aforementioned spreadsheet is referenced in the Consortium Agreement. However, the principles underlying the allocation of costs are documented in the Consortium Agreement. The Consortium Agreement states the each Member Board will be responsible for its share of the Consortium's transportation costs using a formula that will be determined in a fair and equitable manner by the Senior Business Officials (i.e. the Administrative Team). The document also states that each Member Board agrees to pay the Consortium an administrative fee for overhead expenses related to the provision of transportation and lists some examples of such expenses.

Discussions with Consortium management indicated that the Consortium's administration (i.e. overhead) and transportation (i.e. operating) costs are split between the Member Boards based on their proportion of overall ridership. The Consortium Agreement does not include a clause that allocates the cost implications of individual policy decisions to the Member Board that made the decision, although discussions with Consortium Management indicated that, in practice, these costs have been allocated to the affected Boards in practice.

3.4.1.2   Transportation service agreements

The Consortium does not currently have transportation service agreements in place that outline the service-level expectations of the Member Boards. However, such transportation service agreements are in place with the two service purchasing boards as well as the two First Nations that procure transportation services from the Consortium.

Conseil scolaire de district du Grand Nord de l'Ontario and Conseil scolaire de district catholique du Nouvel-Ontario

The Consortium has signed a transportation service agreement with each of its service purchasing Boards. The contracts were executed in September, 2008 and remain valid from year to year until cancelled. The contract outlines the expectations of the service purchasing board with respect to service quality including, among other things, the implementation of the appropriate Board's policies and

guidelines with respect to transportation. A payment schedule and formula are included along with a dispute resolution clause.

Costs associated with the provision of transportation services are to be split based on each service purchasing Boards proportion of overall ridership. In addition, the two French language service purchasing Boards split the cost of the Consortiums French speaking employee. A minimum fixed charge for the Conseil scolaire de district du Grand Nord de l'Ontario is also established due to the limited number of its students that use the AHSTS.

Serpent River First Nation and Thessalon First Nation

The Consortium has draft transportation service agreements in place with each of the First Nations to which it provides transportation services, these contracts have been provided to the First Nations but are yet to be executed. Consortium management intends to continue to approach First Nation management to conclude this process. The contract outlines the expectations of the First Nations with respect to service quality including, among other things, that transportation services will be provided in accordance with policies and procedures as determined by the Consortium. A payment schedule and formula are also included.

Costs associated with the provision of transportation services are to be determined by dividing the weighted number of pupil kilometres per trip by the product of the total weighted pupil kilometres on the routes servicing First Nations and the route costs of servicing these students.

3.4.1.3   Purchase of service agreements/support services

The Consortium purchases IT, communications, technology support and its facilities from the HSCDSB; and purchases human resource and financial services from the ADSB. The Consortium also purchases routing software from *Education Logistics.* The service level relationships with Member Boards are documented in executed purchase of service agreements. These purchase of service agreements were executed in September, 2009 and are valid from year-to-year unless cancelled. They include clauses related to payment terms, confidentiality, dispute resolution, term and indemnity.

The Consortium does not currently have purchase of service agreements in place with respect to its finance and accounting function even though these functions are conducted by both Member Boards on behalf of the Consortium.

Education Logistics Inc

The Consortium has executed a standard software licensing agreement between itself and Edulog. This contract was signed in November, 2010 by the Supervisor of Transportation on behalf of the Consortium.

3.4.1.4   Procurement policies

The Consortium does not currently have its own purchasing policies in place that document the various procurement methods to be used by the Consortium based on the value of the goods being purchased; however, a draft of such a policy is currently available. Consortium management indicated that this policy is currently being reviewed by the Administrative Team. The Consortium has followed the procurement policies of each of its Member Boards in the past.

The draft procurement policy includes an allowance for exceptional sole sourcing of contracts and lists the situations in which these exceptions are allowable. However, approval requirements associated with these exemptions are not included.

3.4.1.5   Insurance

The Consortium has purchased joint venture insurance through the Ontario School Boards' Insurance Exchange (OSBIE). This insurance is valid from December, 2010 to December, 2011 and includes coverage for general liabilities and crime. Administration Team meeting minutes indicate that the Consortium's insurance needs are reviewed regularly.

3.4.1.6   Staff performance evaluation, training and management

The Consortium has adopted the human resource policies of the ADSB, in line with the employment status of its staff. Confirmation of this adoption has been attained through email correspondence between the Consortium and the ADSB's human resource department, not through an executed purchase of service agreement.

The Consortium has engaged the services of a consultant to assist with the development of its staff evaluation procedures. However, in order to provide staff with an opportunity to receive feedback while the staff evaluation process was being developed, Consortium management also developed and implemented an interim staff evaluation process. Consortium staff are to be evaluated on an annual basis by the Supervisor of Transportation. As part of the evaluation process, employees are provided with an opportunity to provide feedback on their performance appraisal. Key factors against which Consortium staff are evaluated include job knowledge, skills, relationship management ability, interpersonal ability, initiative, and attendance.

Performance evaluations of the Supervisor of Transportation fall under the purview of the Administrative Team. Discussions with members of the Administrative Team indicated that such an evaluation was not conducted this year due to personal circumstances beyond the control of the Consortium.

Training for AHSTS staff is currently conducted using in-house and off-site resources and includes three days of on-site training provided by Edulog targeted at all Consortium staff. The Consortium does not currently have training plans in place for staff members and the training provided to Consortium staff is not documented or tracked.

3.4.1.7   Succession planning

The Consortium has developed a succession and cross training plan that is expected to be implemented from 2011 onwards. This document outlines a substitution list for all Consortium staff and also provides a cross-training schedule for all staff. The plan does not identify the Consortium's key processes, services, and does not assess the impact of their absence on the Consortium's performance.

3.4.1.8   Long term and short term planning

The Consortium has neither a formal strategic plan, nor documented, governance approved planning procedures that outline the process, structure, individuals involved and principles underlying the development of a strategic plan for the Consortium.

The Consortium, working with its consultant, has developed a detailed operational plan that outlines the key activities it is to perform over the next year. Most of the items included in this operational plan are related to meeting the expectations of the E&E Review process. The operational plan identifies and prioritizes each of the Consortium's short term objectives, outlines a plan of action for the achievement of each objective, anticipates the expected outcome of these efforts, and identifies the resources and timelines available. Responsibility for these objectives is assigned and the current status of the objective is identified.

The Consortium has developed a draft procedure for assessing the future impact of decreasing budget allocations resulting from declining student enrolment. This plan outlines the responsibilities of each of the Member Boards with respect to the provision of enrolment projections, and identifies long and short strategies that can be used by the Consortium to address any gaps. The plan incorporates declining enrolment considerations into its annual budgeting process, but does not require forecasts beyond a one-year time horizon.

3.4.1.9   Key performance (service) indicators (KPI's)

The Consortium does not currently have a documented, governance approved policy on the use and reporting of KPI's to assess its own operational performance. Discussions with Consortium management indicated that Consortium staff use KPIs extensively for internal performance assessment and report these KPI's on an informal basis to the Consortium governance structures. These discussions also indicate that the Consortium is currently working with its consultant to develop a comprehensive policy and procedure on KPI development and reporting.

3.4.1.10   Information management

The Consortium does not have documented, governance approved policies and procedures in place governing the use of student data and ensuring compliance with Freedom of Information and Privacy legislation.

The Consortium obtains formal authorization to collect student information indirectly through its Member Boards' student information collection forms. Confidentiality agreements have been executed for all staff.

3.4.2 Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

Insurance

The Consortium has obtained insurance coverage and coverage needs are periodically reviewed. Insurance coverage is essential to ensure the Consortium and Member Boards each are suitably protected from potential liabilities.

Staff performance evaluations

Staff performance evaluations are conducted on a regular basis with a clear, easily understood framework that is specific to the Consortium and its needs. The metrics which are used are supportive of the goals and objectives of the Consortium.

3.4.3 Recommendations

3.4.3.1 Modify and execute a formal cost sharing agreement

It is recommended that the Consortium formalize and document the agreed upon cost sharing arrangement between the Member Boards and include it as part of the Consortium Agreement. This document should outline the formula and process associated with the payment of all of the Consortium's operational and administrative costs and should include a clause that allocates the cost implications of individual policy decisions to the Member Board that made the decision. Documenting this formula will not only help to ensure accountability over costs, it will also mitigate the risk of future disagreements arising between Member Boards due to misunderstandings or miscommunication.

3.4.3.2 Execute a formalized transportation service agreement with the Member Boards

While the Consortium Agreement outlines some of the Member Boards' high-level service level expectations, this document is primarily intended to be an agreement among the Member Boards that establishes the Consortium; and specifies the terms and structure of the Member Boards' joint venture[9]. Distinct from the Consortium Agreement, the transportation service agreement articulates the service relationship between the Member Boards and the Consortium. In order to clarify the above distinction, it is recommended that the Consortium develop and execute transportation service agreements with all Member Boards in a manner that is similar to those signed with its service purchasing Boards and First Nations. The transportation service agreements should include clauses that specify the scope of services to be provided, fees, insurance/liabilities, quality of service, dispute resolution and other terms that the Member Boards deem to be appropriate.

3.4.3.3 Modify existing purchase of service agreements

It is recommended that the Consortium modify its purchase of service agreements to include reference to the finance and accounting services that it is currently receiving from both Member Boards. Such modifications will serve to improve the clarity of the Consortium's contractual relationships and will also allow the Consortium to ensure that it receives the level of services it would otherwise receive from a third party service provider.

The Consortium's software licensing agreement with Edulog has been executed between the Supervisor of Transportation and Edulog; however, the Consortium does not currently exist as a separate legal entity and therefore does not have the ability to sign contracts with external parties on its own behalf. In a manner similar to that used for its bus operator contract, it is further recommended that the software licensing agreement be modified and executed between Edulog and each of the Member Boards, while recognizing that AHSTS is a joint provider of transportation services to them. The Consortium should ensure that such contracts are executed prior to the provision of services.

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[9] This does not refer to a legally structured Joint Venture

3.4.3.4   Modify and then execute the draft procurement policy

It is recommended that the Consortium modify its draft procurement policy to outline the approval requirements associated with the use of the exemptions included in the policy. Should the remainder of the terms be deemed appropriate by members of the Consortium's governance structure, this draft policy should then approved and implemented. The formalization of this policy will ensure standardization in the procurement methods of the Consortium and will also act as an accountability mechanism by providing clarity of decision making to the Consortium and the Member Boards. It will also allow the Consortium to harmonize each Board's purchasing policies while ensuring that these policies are adapted to the particular needs of the Consortium.

3.4.3.5   Implement a documented, formal staff performance training and monitoring process

It is recommended that the Consortium develop, document and implement clear staff training/learning initiatives and plans to promote continuous learning. Effective staff training initiatives will help to develop skills and will ensure that staff are able to fully utilize available technological aids. Training provided, including cross-training, should be documented and tracked over time.

3.4.3.6   Modify and implement a succession planning document

It is acknowledged that the Consortium has started to develop a succession planning document. This plan should be modified to identify the Consortium's key processes and services, should assess the impact of their absence on the Consortium's performance, and the steps to be taken to mitigate the impacts. The Consortium should then implement the identified succession planning process in a documented manner.

3.4.3.7   Develop a formal, documented long term and short term planning process

It is recognized that the Consortium has developed a detailed operational plan that outlines the key activities it is to perform over the next year in order to meet the expectations of the E&E Review. However, the Consortium does not have a governance approved strategic plan that outlines the objectives and priorities against which its performance and progress can be tracked.

It is therefore recommended that the Consortium define the process through which it will develop its long term and short term goals and priorities. The process used to develop the goals should be specific, clear, documented, and approved by the Consortium's governance structure. Upon identifying the process to be used, the Consortium should implement the identified process and develop a strategic planning document that lays out, in broad terms, the Consortium's overarching priorities over the next two to five years. The strategic goals identified in this document can then be linked to an operational plan that is similar in nature to the operational plan already developed by the Consortium. The development of such a process and document will allow the Consortium to measure its performance against stated objectives and will also allow it to allocate resources effectively to meet its objectives.

3.4.3.8   Modify, approve and implement the draft strategy for declining enrolment

It is recommended that the draft strategy for managing the impact of declining student enrolment be modified to include the analysis of financial impacts past the one-year time horizon. Upon incorporating this modification and receiving approval from the Governance Committee, this process and plan should be developed and implemented. Developing such a plan will provide the Consortium with a framework that will help it address longer term issues, it will also signal a proactive approach to dealing with issues before they arise.

3.4.3.9   Develop a formal policy on KPI monitoring and enhance the current KPI monitoring process

The Consortium does not currently have a formal policy framework within which the use of KPIs to monitor the Consortium's performance is institutionalized. It is recommended that the process to be used to gather and analyze KPIs be documented in a governance-approved KPI monitoring plan. This KPI monitoring plan should define the KPIs to be analysed, frequency with which the KPIs will be analyzed and the quantitative thresholds for changes in KPIs above which further action will be taken and reported to either the Governance Committee or the Administrative Team.

Once a framework for the monitoring the Consortium's performance has been developed, the procedure should be implemented in a formal, documented manner with reports that identify year-over-year comparisons, trending analysis and additional context related to the metrics in order to increase their meaningfulness to members of the Consortium's governance structure.

3.4.3.10 Develop policies and procedures related to the treatment of confidential information

The Consortium should develop appropriate, documented policies, procedures and confidentiality agreements to govern the use of confidential information in order to ensure compliance with freedom of information and privacy legislation. These policies and procedures should address all issues related to the collection, storage, use, access, distribution and destruction of information, and should also require the Consortium's governance structures and Member Boards to review and reflect on freedom of information and privacy legislation requirements on a regular basis. The Consortium is further encouraged to review the findings and recommendations contained in the OASBO Guidelines for Sharing Personal Student Information with Transportation Consortia.

3.5 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 affecting efficiency.

3.5.1 Observations

The Consortium has neither developed a set of governance approved financial management policies and procedures, nor adopted the financial management policies of one its Member Boards. However, the Consortium has developed a budgeting calendar and has documented procedures for the processing of operator invoices, as outlined below.

3.5.1.1 Budget planning and monitoring

The Consortium's budgeting process is documented in a procedure developed by Consortium management. This document outlines the steps in the budgeting process on a monthly basis but does not outline the key personnel involved, the formulas to be used to develop the forecast, or any follow-up and tracking requirements. Budgeting for the Consortium takes place in line with the budgeting timelines of each Board. As such, Consortium management is required by the Administrative Team to meet the deadlines in each Board's budget process.

The Consortium's annual budgeting process begins in March and April, when the Supervisor of Transportation is to meet the Administrative Team to discuss changes to the budget for the following year. This includes a discussion of all potential school closures, program changes, JK/SK enrolment, and declining enrolment data that may impact transportation services. In May, Consortium staff assess the Consortium's current route configurations in order to identify any additional possible efficiencies in the system. This information is then provided to the Supervisor of Transportation, who develops the transportation operating and administration budget for the following year. In June, a final reconciliation for the previous year's budget is conducted and the findings of this reconciliation are provided into the following year's forecast. At this stage, the budget is finalized and sent to the Administrative Team for input and approval.

Discussions with Consortium management indicated that the budget follow-up and tracking process is conducted quarterly as part of the operator invoicing process; there is little reporting to the Administrative Team. Once coded and input into the system, the Supervisor of Transportation and one of the Transportation Officers log and compare the Consortium's operating expenses to the forecast. These discussions also indicated that administration costs are rarely monitored since they are assumed to remain fairly stable. If there is a need to address administration costs, this is brought to the attention of the Administrative Team for discussion.

Discussions with members of the Administrative Team indicated that they monitor the Consortium budget as part of the monitoring of the overall budgets for their School Boards.

3.5.1.2 Accounting practices and management

The Consortium's accounting practices are neither documented nor centralized. The process for processing operator invoices is documented.

Operators split their invoices by Member Board prior to issuing them to the Consortium. Upon receiving the invoices, the Transportation Officer reviews the invoice for accuracy and, upon confirming their accuracy, codes them according to each Board's accounting charts. After being coded, the invoices are forwarded to the Supervisor of Transportation for sign-off and then issued to the relevant Member Board for payment. The Supervisor of Transportation's signature is required for all purchases over $5,000 for ADSB invoices; no such requirement is requirement is in place for the HSCDSB.

The Consortium's administration costs are paid for throughout the year by the ADSB, with the Consortium tracking the amounts owed by the HCDSB. The Consortium then issues an invoice to the HCDSB at year end indicating the amount that is to be remitted to the ADSB. The HSCDSB covers the costs associated with the service purchasing Boards. The ADSB covers the costs associated with the First Nation transportation service purchasers; the Consortium issues the invoice to the First Nations, with the amounts payable to the ADSB.

3.5.1.3 Audit

Discussions with Consortium management indicated that the Consortium does not have its financial reports verified through an independent, third party audit. These discussions indicated that the Consortium is audited as a line-item through its Member Boards.

3.5.2 Recommendations

3.5.2.1 Modify the budget development and tracking process

In order to increase the clarity and effectiveness of the Consortium's budgeting practices, it is recommended that the Consortium's budget development procedure and timeline be modified to outline the key personnel to be involved with the process, the key inputs required, and any formulas to be used to develop the forecast.

This procedure should also outline the timelines, documentation and reporting requirements to be mandated upon the Supervisor of Transportation with respect to ongoing budget tracking and budget-to-actual monitoring. The Supervisor of Transportation should, on a regular basis, be required to present the results of his variance analysis, including explanations for under/overspending, to Consortium governance on a regular basis.

3.5.2.2 Centralize the Consortium's financial management function

Currently, both Member Boards implement the Consortium's accounting function. The Consortium's financial management function is therefore neither centralized, nor within the control of Consortium management, who have specialized expertise and knowledge of the financial implications of operating student transportation services. It is therefore recommended that the Consortium either centralize accounting services in-house or purchase accounting services from a single School Board and provide the Supervisor of Transportation with the approval authority for all direct and indirect transportation costs. This will reduce duplication and increase the Consortium's clarity and accountability.

3.5.2.3 Document the Consortium's financial management practices

While it is recognized that the Consortium has documented its budgeting and operator payment processes, it is recommended that this documentation be modified to include all of the Consortium's financial management practices, including, for example, the splitting and allocation of administrative costs. The development of such a comprehensive set of policies and practices will help to increase the transparency and the succession planning capacity of the organization.

3.6 Results of E&E Review

This Consortium has been assessed as **Moderate-Low.** The Consortium has taken a number of positive steps in the recent past to develop and document numerous draft management practices that are yet to implemented and are under review by Consortium governance. The main recommendation arising from the assessment of Consortium Management is the attainment of separate legal entity status for the Consortium, and the modification, approval and subsequent implementation of the draft policies and practices. The implementation of these as well as other recommendations relating to the Consortium's human resource, planning, reporting and financial management functions will help to institutionalize effective management practices within the Consortium.

4   Policies and Practices

4.1   Introduction

Policies and practices examine and evaluate the established policies, operational procedures, and the documented daily practices that determine the standards of student transportation services. The analysis for this area focused on the following three key areas:

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

The observations, findings, and recommendations found in this section of the report are based on onsite interviews with Consortium staff, and on an analysis of presented documents, extracted data, and information available on the Consortium's website. Best practices, as established by the E&E process, provided the source of comparison for each of these key areas. The results of the assessment are shown below:

Policies and Practices – E&E Rating:	Moderate-Low

4.2   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 examines and evaluates the policies, operational procedures, daily practices, and their impact on the delivery of effective and efficient transportation services.

4.2.1   Observations

4.2.1.1   General policy guidelines

AHSTS has worked with its Member Boards to establish policies and operating procedures that provide the fundamental operating guidance necessary to design the routing system and manage transportation services. The structure and format of the policy and procedure statements are designed to identify the rationale for the requirements and to detail the specific procedures all stakeholders are expected to follow. Specific procedures have been established that are intended to guide the actions of various stakeholders including parents, principals, operators, and AHSTS.

The policy statements originate with Member Board policies but have been incorporated into AHSTS documentation in order to clarify service expectations and establish accountability for service delivery. This is best emphasized in the particular expectations of AHSTS' mission statement which states that the goal is to "provide a single transportation system with emphasis on safety and efficiency for all students." The scope of the policy guidance is consistent with the expectations of the E&E process. However, the actual impact of the procedures will need to be assessed given that most were adopted between July and November 2010. As a result of the seasonal nature of many transportation planning activities, requirements of the policies have not been formally implemented.

4.2.1.2   Eligibility and walking distances

Given the diversity of geography and density throughout the service area, a number of eligibility criteria have been established. Policies have been fully harmonized and detailed in TP-003, the Eligibility Policy. The policy creates three distinct geographic areas of service and establishes eligibility criteria for each. Additionally, particular programs offer additional eligibility options as do particular health and safety concerns. A supplemental policy related to Distance to Bus Stop Locations details the walking distance to

a bus stop coupled with criteria for bus stop placement. Eligibility is determined using the student's home address. *Edulog* is used to determine measurements using the shortest safe distance from the home to school and for bus stop distances. Access points have been established in *Edulog* to determine school points.

The three geographic areas that have been established provide for the same eligibility criteria for all secondary students of 2.25 kilometres. However, elementary student eligibility is different in each area. In Sault Ste Marie and the North area, all junior kindergarten students are picked up at their door regardless of distance, senior kindergarten through grade 3 students are eligible beyond .75 km, and grades 4 through 8 students are eligible beyond 1.5 km. In the east area junior kindergarten and senior kindergarten are picked up at the door while Grade 1 to 8 students are eligible beyond 1.6 km. These distances are generally lower than in other areas across the Province.

Walk to stop criteria are consistent across all service areas and dictate that the maximum distance is established by grade. Junior kindergarten students, as mentioned, are provided door-to-door service, senior kindergarten through grade 3 can walk as much as 0.375 kilometres, grades 4 through 8 can walk up to 0.75 kilometres, and grades 9 through 12 can walk as much as 1.125 kilometre.

4.2.1.3   Alternate addresses

The established eligibility policy allows for eligibility from an alternate address under specific circumstances that are detailed in the policy. The policy requires that the alternate locations are "within the school catchment area or school program area; the approved pick-up or drop-off locations are consistent every day; and the location does not extend existing efficient routes." No specific coding structure is established in *Edulog* to identify these students, but it is possible to identify them based on transportation address differences.

There are two key additional policies associated with alternate address eligibility. The first relates to out-of-boundary students and the second is for joint custody arrangements. TP-038 establishes the expectations for transportation Outside the Consortium Area. If a student is approved to attend a school, transportation may be provided based on a cost and routing assessment by the Consortium. The joint custody procedure allows for alternate address transportation provided both addresses are in the school catchment area. If the second address is outside the catchment area then transportation is to an approved stop location.

4.2.1.4   Courtesy transportation

There are no specific allowances for courtesy riders, but a procedure has been established for Special Consideration Transportation (TP-037). The procedure is somewhat unique in that it requires the need to be "exceptional" and allows for a bus to be rerouted to accommodate the student. In addition, specific cost analyses must be conducted. Finally, there is a requirement to track these students through a specific coding convention in *Edulog.* A review of the designated user eligibility codes indicates that a total of 271 students of 8,593 students with run assignments (3 percent) are provided service due to administrative directives related to grandfathering or another rationale.

4.2.1.5   Bell time management

A Bell Time Request Procedure (TP-024) has been established that allows for a request for changes by schools or AHSTS. The procedure clearly articulates both timeframes and responsibilities under each scenario. Given that the procedure was adopted in July 2010, the 2011 school year will provide the first opportunity to actually implement the procedure.

4.2.1.6   Student ride times

AHSTS and its Member Boards have detailed ride time guidelines in a specific procedure statement (TP-016). Given the large, rural nature of the service area, the procedure establishes the designated times of 60 minutes for junior kindergarten through grade 8 students and 90 minutes for grade 9 through 12 students as desired ride time criteria but not maximum allowable criteria. This is a reasonable effort to balance service quality and cost effectiveness given the service area. Student data provided during the review indicates average student ride time is approximately 30 minutes.

4.2.1.7   Route planning schedules and strategies

AHSTS has established a limited planning schedule that generally establishes tasks by month and the individuals responsible for the overall task. The schedule lacks specific subtasks or related details

required to accomplish the overall task identified. Specific targets should be established that indicate when a task should start or end (in order to establish an expectation of resource requirements) or how any of the tasks are interrelated. Adding these details to the planning schedule would provide more useful guidance on resource requirements and expected knowledge and skill requirements.

Route planning strategies are heavily influenced by the size and diversity of the service area. Basic expectations include integration of students on runs and routes where possible. In addition, there are expectations to consider combination runs (where multiple schools are serviced on the same run) and tiered routing (where multiple schools are serviced by the same bus). Currently, 38 percent of runs are combination runs and 39 percent of routes incorporate multiple runs.

The design of the routing scheme generally focuses on the location of junior kindergarten and senior kindergarten (in the East area) students as they are provided with door-to-door service. Most other students walk to established group bus stops. As a result, bus routes reportedly do not change significantly on a year-over-year basis except to accommodate junior kindergarten student changes.

Given the size of the service area, operators are also used extensively to assess both the appropriateness of run design and the safety of stop locations. In the remote areas (north and east) operators have generally developed runs for the route coordinators for each of the areas. Efforts are underway to consolidate responsibility for all routing under AHSTS but at the time of the review this had not occurred. However, data from all the service areas has been included in *Edulog*.

There is limited use of transfers throughout the system. The Transfer Point Locations procedure (TP-034) establishes criteria for both the use and oversight of transfer locations. The procedure details both how issues such as lateness or failure of the transfer bus to arrive will be addressed. It also indicates that AHSTS will provide insurance coverage in the event of use of private property, however, no coverage was being provided for any site at the time of the review.

Use of public transit is also a strategy in place at AHSTS. TP-035 establishes the procedures for the use of public transit services. Typically transit is used for specific programs such as Co-Op or Life Skills. A total of 276 students per month are provided with passes. No specific user code is established with *Edulog* to identify these students, but one staff member has been designated as responsible for overseeing transit pass distribution and reconciliation.

4.2.1.8 Hazard transportation criteria

A Safety and Hazard procedure (TP-040) was revised in October 2010. The procedure dictates that services may be provided when a student encounters one major or two moderate hazards based on grade groupings. The procedure defines crossing hazards, major safety hazards, and moderate safety hazards. The definitions provided by the procedure provide clear guidance to stakeholders on hazard classification. The procedure is currently in the process of being fully implemented. This is to include a review of currently established hazard boundaries and crossing hazards in *Edulog* to ensure they meet the established criteria and to identify whether additional hazards should be established. Approximately five percent of students being transported are eligible due to hazard criteria based on the data collected at the time of the review.

4.2.1.9 Bus stop placement

TP-030 was adopted in October 2010 and establishes distance criteria for walk-to-stop expectations. It dictates that stops should be a minimum of 300 metres apart and should have sight lines of 150 metres in both directions. In addition, it establishes a maximum of 20 students per stop location and recommends that no stop be placed on a steep grade or sharp curve. This procedure provides reasonable guidance to Transportation Officers in their placement of the stops and to bus operators in their assessment of the appropriateness of a stop location. Given that the procedure was developed based on historical practices, staff were generally aware of the requirements but not necessarily of the specific procedure. Continued efforts to communicate the availability of expectations within this and other recently developed policy and procedure statements are necessary.

4.2.1.10 Decision appeal process

An appeal procedure has been established in TP-025. The process provides for a progressive escalation through AHSTS and ultimately to the Consortiums governance structures. The process requires the documentation of the request and the final resolution. The process provides a reasonable and appropriate

method for addressing concerns regarding AHSTS decisions. At the time of the review the process had not been used to appeal any AHSTS decision.

4.2.1.11   Inclement weather procedures

TP-020 and TP-021 are the primary weather related procedures and dictate how cancellations will be addressed and describe cold weather procedures, respectively. Each allows for cancellations by region if required or across the entire service area. Appropriate cross references are established between the procedures. The cancellation procedure appropriately separates all day cancellations from those that occur during the school day. The procedure details communications protocols and notification procedures under each scenario. The cold weather procedure recognizes that factors other than precipitation or road conditions may require a cancellation of transportation services. This procedure provides specific guidance to the Supervisor of Transportation to guide cancellation decisions and also establishes notification procedures. These practices have been in place for some time, but the 2010 school year is the first year in which the actual statements would be in force.

4.2.2   Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

Inclement weather procedures

AHSTS has created a detailed procedure for the management of cancellations and delays in response to inclement weather. The establishment of cold weather and fog procedures supplements the established delay and cancellations procedures to provide clear and necessary guidance to operators and the Boards on service provision under these circumstances. In addition, appropriate mechanisms for parent and community notification have been established to ensure the appropriate dissemination of this information.

4.2.3   Recommendations

4.2.3.1   Implement the documented policy statements

AHSTS has focused considerable effort documenting the policies and operational practices that will guide consortium decision making. Many of these policies were developed between January and fall 2010, with many approvals occurring during the summer and fall. At the time of the review, staff and operators were still becoming versed in the specific expectations included in the documentation. As part of AHSTS' efforts to implement the recommendations made throughout this report, a communications effort should also be undertaken with all internal and external stakeholders to increase awareness of the formalized expectations and processes detailed in the policies and procedures.

4.2.3.2   Expedite the review of hazard areas

AHSTS should continue its review of hazard areas to ensure that they are properly assessed and documented per the established policy. This process will ensure that students are properly identified for service eligibility and will allow assessments of the consistent application of the criteria across the service area.

4.2.3.3   Enhance the planning schedule

The current planning schedule should be enhanced to include information on staff assignments, task flow, and level of effort required. The goal of this enhancement is to:

- Ensure accountability by assigning tasks to individuals;

- Assess the appropriateness of staff assignments given workloads and task sequencing; and

- Evaluate staffing needs on both an annual and seasonal basis.

The addition of these elements will allow AHSTS to better manage its workflow and plan for both known and unknown contingencies related to staff availability.

4.3   Special Needs Transportation

4.3.1   Observations

Planning transportation for special needs students can present additional challenges as one must consider not only time and distant constraints, but also the physical, and emotional needs of each individual student. 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.

4.3.1.1 Special needs policies and planning guidelines

Special needs student management is mostly delegated to a single Transportation Officer. The expectations for service delivery are provided by Board staff as part of the evaluation and program placement process for each individual student. Planning efforts are focused on bell times and the integration of students where possible. AHSTS has established a Special Needs Transportation procedure (TP-010) that indicates both an expectation to integrate students and dictates the procedures to be followed by AHSTS. Additional related procedures have been established on the use of car and booster seats, administration of Epipen, and taxi use. Interviews indicated that very few students are mainstreamed and that virtually no students (with the possible exception of siblings) who are not special needs ride on special needs vehicles. The procedure also requires an "in-depth costing analysis" to be conducted, but implementation of this requirement is still in process.

4.3.1.2 Driver Training

Operator agreements and established procedures dictate specialized training expectations for drivers who transport students with special needs. While all drivers are required to have First Aid and Epipen training, special needs drivers are also expected to be aware of the likely behaviours associated with particular exceptionalities and to be able to conduct evacuations for students with special needs. Overall the expectations and requirements are consistent with industry practices.

4.3.2 Recommendations

4.3.2.1 Conduct detailed costing analyses when determining special needs placement

In order to comply with established procedures, it is necessary for AHSTS to conduct a detailed costing analysis when determining special needs placement or provision strategies. No methods or guidelines were provided during the review that indicated how this requirement would be met. AHSTS should establish a process that details how cost analyses will be conducted to ensure that all costs and service implications are considered as part of the review.

4.4 Safety policy

4.4.1 Observation

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, and contractual agreements are developed, documented, monitored, and enforced to ensure that safety standards are understood and followed without exception. The bus operators are contractually required to provide safety related training to its drivers and are also mandated to provide programs to the schools including the First Rider Program, vehicle evacuation drills, and bus patroller.

4.4.1.1 Student training

Students are provided with a variety of training programs throughout their school career. The training programs begin with the First-Rider programs and the use of Buster the Bus provided by operators. Additionally, all students are provided with bus evacuation drills through elementary school years. Behaviour expectation guidelines provided by both the Boards and operators are also incorporated into student training regimens.

4.4.1.2 Driver training

Driver training requirements are established in the bus operator contract. The expectations include First Aid training, EpiPen administration, evacuation training, and behaviour management, among other requirements. The agreement provides a recommended schedule for annual and triennial training expectations that are consistent with practices across the Province. In addition, operators have established their own supplemental training routines to address recognized concerns.

4.4.1.3 Accident and Incident procedures

TP-019 provides the procedures to be followed by schools, operators and AHSTS in the event of an accident or incident. The procedure distinguishes between Level 1 incidents where a student is injured or a Level 2 incidents where a delay in service will occur. Interviews suggested that these procedures were

still in the process of being fully communicated to the operator group. An additional, related procedure details the procedure to be followed if there are concerns about bus drivers. Again, each party's responsibilities are detailed and full implementation is on-going. TP-027 also establishes protocols to be followed in the event of a missing student. Additional safety related procedures include loading and unloading of students and EpiPen administration. The array of established procedures is appropriate to address likely issues to be faced by the Consortium; although an effort to communicate the requirements to operators should be made in order to improve the implementation of these procedures.

AHSTS has also developed an excellent procedure related to emergency planning. Specific responsibilities of school staff, AHSTS, and bus operators are detailed in the event that it becomes impossible to transport students to or from school. Specific examples of when this procedure would be activated include road closures, weather conditions, or school lockdowns. This is an excellent example of the Consortium establishing a contingency plan for likely events in order to promote smooth operations in a high stress environment.

4.4.1.4   Auditing procedures

A formal auditing procedure has not been established by AHSTS. However, the standard operator agreement includes a list of expected standards of service that could serve as a proxy for a formal auditing procedure. In addition, the Consortium has established an Operational Review questionnaire. This Operational Review is designed to be a comprehensive assessment of records management practices and compliance with Consortium expectations. The combination of the questionnaire and the operational review (expected to be conducted annually) provides an adequate baseline for on-going auditing of operations. The development of a guiding procedure will ensure consistent application of the approach across the service area.

4.4.1.5   Use of cameras

A limited number of buses are equipped with cameras and a procedure has been established to safeguard the data and establish allowances for viewing and custody of the tapes (TP-039). Specifics of the procedure are still being implemented at the time of the review. The procedure as written provides adequate safeguards related to student privacy and evidentiary material in the event the tape is needed.

4.4.1.6   Maximum age of vehicles

Vehicle age expectations are established in the operator agreement. For vehicles greater than 36 passengers the maximum allowable age is 10 years and for vehicles less than 36 passengers the maximum age is 8 years. These requirements are enforced through the annual reporting of the operators which requires an inventory of vehicles in use with model year to be submitted. The expectations and the process are reasonable to ensure active management of vehicle information.

4.4.2   Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

Emergency planning

The establishment of a detailed procedure to address lower probability, high stress events is an excellent approach to risk mitigation. Detailing in the procedure when AHSTS might activate the procedure and clearly articulating the responsibilities of each party will help minimize confusion in the event that abnormal changes to operations are required.

4.4.3   Recommendations

4.4.3.1   Use existing materials to establish a detailed audit procedure

AHSTS should establish a governing procedure for the auditing of operator performance. The procedure should state how frequently the review of operations should occur, the content of the review, and the expected feedback loop to inform operators of the results of the review.The combination of existing materials will serve as a useful starting point for the content of the program.

4.5   Results of E&E Review

Policies and Procedures development and implementation has been rated as **Moderate-Low**. Significant effort has been expended to harmonize policies and establish operating procedures. The expectations and direction established in the policies are consistent with many of the best practices identified throughout the E&E. Specific instances identified in the report and during the site visit clearly indicate that

the particular requirements associated with the procedures were either unfamiliar or untested at the time of the review. An effort to communicate such requirements should therefore be made.

5   Routing and Technology

5.1   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 (including interviews) together with 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 and Technology – E&E Rating:	Moderate-Low

5.2   Software and technology setup and use

Any large and complex transportation organization requires the use of a modern routing and student data management system to support effective and efficient route planning. Effective route planning not only ensures that services are delivered within established parameters but also helps to predict and control operational costs. Modern software systems have the ability to integrate and synchronize with student accounting, communications, and productivity software. The integration of these software systems allow for more effective use of staff time and supports timely communications, data analysis and reporting. Web-based communication tools in particular can provide stakeholders with real time and current information regarding their student's transportation including service or weather delays, the cancellation of transportation, or school closings. To derive the greatest benefit from these systems, it is imperative that the implementation includes an examination of the desired expectations and outputs of the system to support comprehensive analysis and reporting. This section of the evaluation evaluates the acquisition, setup, installation, and management of transportation related software.

5.2.1   Observations

5.2.1.1   Routing software & related technologies

AHSTS uses *Edulog* as the key transportation management tool. All bus routes and schedules are entered into *Edulog* and are maintained throughout the year in the software. In addition, *WebQuery* (which allows the web-based look up of transportation eligibility) has been implemented. *WebQuery* has been made available through the HSCDSB and ADSB websites because at the time of the review AHSTS did not have its own website available. AHSTS has purchased a domain name that will be used for a branded site that is intended to be the primary source of transportation information for the Member Boards and their constituents. *SchoolAssistant,* a related software module that provides schools detailed access to bus route and schedule information has been purchased but not fully implemented at the time of the review. A boundary planning module and an add-on that allows for importation of map data from other sources has also been acquired. AHSTS also uses a PBX phone system to manage calls into the Consortium.

These tools provide the basic foundation necessary for the Consortium to operate and to communicate with various stakeholder groups. Continued efforts will be necessary to improve the completeness of existing data and the availability of both data and information to stakeholder groups. Development of the Consortium website, full implementation of available software modules, and continuing the on-going efforts to improve map accuracy and student data availability will be important to the future effectiveness and efficiency initiatives.

5.2.1.2   Maintenance and service agreements

While the Consortium has been a long-time user of *Edulog* software, the software contract provided during the review was executed in November 2010. The current contract for the transportation management software provides for annual updates and regular patches where required to all of the products purchased from Education Logistics. The software vendor will update as much as 15 percent of the geocode on an annual basis. This provision of the contract has been used as part of AHSTS' efforts to integrate the northern and eastern regions into the service area. The agreements in place are consistent with expectations of the E&E process in that it ensures that critical planning software are updated regularly to offer access to current technologies and that appropriate administrative updates are provided.

5.2.1.3   System backup and disaster recovery

HCDSB provides technology management services for AHSTS including software backup and hosting services. Backups of the transportation-related servers occur on a nightly, weekly and monthly schedule consistent with established HCDSB procedures. File and email servers are also backed up as part of the same protocol. AHSTS has tested the backup and recovery process to ensure that it is appropriate to meet operational needs and assists in the minimization of downtime. AHSTS found the procedures to be adequate.

Data security and availability have generally been addressed through the backup procedure established with HCDSB, but no specific protocols have been established to ensure business continuity in the event of an incident limiting access to the Consortium office. Lack of a structured protocol that identifies a site location or remote access procedures for staff can exacerbate the impact of any incident (including, for example, weather conditions that limit access to an office location) and negatively impact the ability of the Consortium to deliver services.

5.2.1.4   Staff training

The agreement with *Edulog* provides for three days of training annually to promote continued proficiency with the various software products. Given the relative difficulty in acquiring training services, this is an excellent use of vendor resources. Proficiency with software use is generally developed internally and through collaborative efforts with surrounding consortia using the same software vendor. A more structured, formal training schedule would ensure that AHSTS, given the relatively small size of the organization, could continue to provide training opportunities without impacting service delivery.

Training has also been provided on other related software products. Staff members have participated in structured training programs related to productivity software used for billing and reporting. Additionally, a schedule has been established to ensure coverage of all business aspects in the event of staff absences. This has required functional cross-training across the organization on a variety of topics. A schedule has been established that lists both common topics and weekly times that this training will occur.

5.2.2   Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

5.2.2.1   Vendor collaboration on staff training

Incorporating annual training updates into the software agreement promotes staff proficiency with existing products and awareness of changes or improvements to the technology. Given the difficulties associated with acquiring other training services, AHSTS has established an innovative way to ensure ongoing development of their staff. The continued success of this approach will require be the establishment of a formalized curriculum for the training sessions that ensures the on-site training addresses areas of concern or provides insight into how the software can support expected efficiency and effectiveness initiatives. This type of planning will be an important component of the staff training recommendation proposed below.

5.2.3   Recommendations

5.2.3.1   Expedite the development and implementation of technology tools

Use of *SchoolAssistant* and the consortium website will be important components of the communications and data distribution practices of AHSTS in the future. As a result, it is necessary to expedite the development and implementation of these tools in order to minimize the more limited value added tasks staff are expected to perform including looking up bus stop location, printing basic run and stop lists, and other administrative practices.

5.2.3.2   Establish a structured business continuity planning

AHSTS should establish a structured plan that addresses how services will be managed in the event of limited or no access to existing facilities or systems. Identifying alternative site locations for staff to work from, protocols for remote access to key systems, and communications management are among the topics that should be considered. Coupled with the data management procedures established to manage *Edulog* data, the plan should focus on how to leverage current and proposed technology to ensure continued communication with stakeholders, particularly in the event of an incident.

5.2.3.3   Create structured staff training plans

Small organizations face the challenge of needing staff to be proficient in multiple disciplines. This need can create significant challenges when it comes to training and the development of individual skill sets. AHSTS has started an informal process of designing staff training requirements as part of the cross training plan. This effort should be enhanced to identify other technical and professional training requirements for each individual in the organization, identify sources of potential training providers, dates of availability, and cost. These external training efforts can then be leveraged internally through in-service presentations and discussions to gain maximum value for the expenditures.

5.3   Digital map and student database management

An accurate digital map is paramount to support effective route planning and also the effectiveness of the staff and the efficient use of the fleet. This aspect of the E&E Review was designed to evaluate the processes and procedures in place to update and maintain the map and student data that forms the foundation of any student transportation routing system.

5.3.1   Observations

5.3.1.1   Digital map

One digital map is used for the entire service area and the maintenance of the map is primarily the responsibility of the Data Analyst. Other staff members are cross trained to provide assistance in the absence of the Data Analyst. Assignment of overall maintenance of the map to a single staff member is an appropriate strategy that ensures map accuracy and eliminates the possibility of changes made by one coordinator impacting the accuracy of the entire base map and subsequent planning accuracy.

Maintaining the currency of the map is done through a combination of input from operators and information from local municipalities on development and construction issues. AHSTS has been working to address the particular challenges in the very rural northern parts of the service area. The lack of any existing electronic mapping in those areas has required significant effort to develop the base geocode in *Edulog*. Continued collaboration with the software vendor and the use of global position technology and geographic information systems are increasing both the completeness and accuracy of the map.

5.3.1.2   Map accuracy

Within the denser areas serviced by the Consortium, the map is reported to be accurate. A review of student data indicated only 326 students within settled areas that were unmatched, or less than one percent of all students. As was mentioned previously, the more rural northern areas present greater challenges due to the lack of infrastructure available to establish the underlying geocode. Within these areas, nearly 1,600 students were unmatched at the time of the review. The efforts to improve the underlying map data will reduce the number of unmatched students in the future.

5.3.1.3   Default values

The current default values are a mix of those set in the original installation of the product and updates performed by the current Data Analyst. Map related values have generally been set. Additional efforts are required to address other values such as loading criteria, stop characteristics (e.g., special needs allowances), and load times. The current process for managing the default value process is to address concerns within specific areas, but no specific plan or procedures have been established to guide these efforts. Particular emphasis on road speed values will be necessary in order to improve the accuracy of route timing.

5.3.1.4   Student data management

Complete student data is one of the two most important baseline datasets that a consortium must establish. Establishing accountability for the completeness and accuracy of student data is an important

component of being able to ensure that the Consortium can develop efficient bus routes. Both the procedure and the Consortium Agreement establish responsibility for data accuracy at the school level.

A daily download of student data is performed for each Member Board. These downloads are reviewed by the Data Analyst to assess the nature of the changes. In the event that an inaccuracy is preventing the student from being matched to the map or assigned to a run, efforts are made to work with school staff to address the issue. In some instances, AHSTS will alter the student's transportation information in order to ensure accurate route manifests and will wait for the schools to update home address information that will then be captured in a subsequent daily download. The process is implemented in such a way as to allow for this procedure without overwriting needed transportation information. Each individual staff member can address necessary changes to stop locations, bus runs, or other assignments in order to maintain accurate route manifests. For the service purchasing Boards, updates are less frequent and are generally managed manually during the school year. The annual updates are provided through a formatted spreadsheet that allows for the translation of French names. One of the service purchasing Boards is further along in the use of the spreadsheet method, but it is expected that once the process is finalized at one Board it can be simply transferred to the other Board for use. These practices establish a reasonable distribution of responsibility and accountability for student data accuracy and ensure the accuracy of this critical planning database.

5.3.1.5 Coding structures

The coding structures available within *Edulog* include student codes, run coding, route coding, stop coding, and map data. The purpose of the eligibility coding structure is to establish a framework to understand why a student is either eligible or ineligible for transportation. The eligibility coding structure within *Edulog* includes two primary fields: Eligibility and User Eligibility. The eligibility code is established automatically based on established policy criteria. The user eligibility code and program coding are set by Transportation Officers and the Data Analyst. The following table summarizes the count of students in the data based on the established eligibility codes.

Table 4: Eligibility code summary

Eligibility Code	Eligibility Description	Count	Percent of Total
0	Eligible	9,279	60%
1	Eligible because of hazard	459	3%
12	Out of Zone	2,300	15%
13	Within walking distance of school	3,236	21%
91	Student Address is Unmatched	4	0%
93	No Attendance Boundary	292	2%
Grand Total		**15,570**	**100%**

When coupled with the more detailed User Eligibility coding, a better understanding of the transportation requirements should be achieved. The User Eligibility coding allows the consortium to identify a specific rationale for why services are being provided, particularly for students who might otherwise be ineligible. However, analysis of this data indicates that additional effort is necessary to ensure that the coding combinations provide the expected clarity. For example, a total of 364 students are identified as eligible for service despite being coded as within the walking distance of school. No additional detail is provided that would indicate why these exceptions were made. Alternatively, a total of 103 students are identified as eligible for service through a Board approved exception, which provides significant clarity regarding the rationale for transportation. Finally, nearly one-half of all eligible students are not assigned any User Eligibility code. A review of the combination of Eligibility and User Eligibility codes should be conducted to ensure both consistency of use and to ensure that it provides the expected level of detail needed by the Consortium to analyze operational performance.

Other data elements available within the system have limited formal structure designed to convey meaning. The school coding structure is such that those values below 500 identify HCDSB schools and those above 500 identify ADSB schools. This approach offers little value in identifying school types, grade splits, school locations, stop locations or other potentially useful information. Bus stops are coded in a

similar way to schools using the school identifier and a sequential three digit number. In instances where a transfer bus stop is established, the letter T is included in the sequential number to indicate a transfer. There is significance in the school assignment portion of the coding, but limited additional information on the stop location can be identified through the current structure. The current system does not have a significant impact on the functionality of the system, but the analytical usefulness of school and stop data could be improved.

Bus runs are indentified using a combination of school code and a numerical sequence that indicates the morning or afternoon panel. For example, run 100.002 indicates that this bus services Holy Family school (code 100) and is a morning run (as indicated by the first zero after the decimal point). In instances where a bus run services a single school (62 percent of all runs) this coding structure proves to be adequate in its ability to simply communicate the activities of the bus. However, if students from multiple schools are picked up on the same bus run (38 percent of all runs), the current coding convention does not convey that information. For example, run 566.004 services both Esten Park (school code 552) and Central Avenue (school code 566), but the service to Esten is not readily apparent. This is somewhat addressed through the run description field that allows both schools to be identified. Additionally, if two runs are connected together into a route that information is not conveyed through the run coding structure and can only be identified through the commonality of the route code. Finally, there is no differentiation at the run coding level between regular home-to-school runs and special needs runs. One aspect of run coding that is significant is the inclusion of identifiers for French Immersion and noon times runs in the coding scheme. As with schools and bus stops, the current coding does not impact the functionality of the software but it does limit analytical usability of the structure.

5.3.2 Best Practices

It is recognized that the Consortium has demonstrated best practices in the following areas:

Map Management

AHSTS has recognized the importance of regular map maintenance and the need to ensure that the consequences of map changes are fully considered prior to implementation. The assignment of a designated individual for this purpose ensures there is accountability for the accuracy of the underlying geocode and consistency in the application of changes. In addition, the cross training of alternate staff to provide backup and emergency assistance

5.3.3 Recommendations

5.3.3.1 Analyse and increase the accuracy of default values

AHSTS should continue its efforts at increasing the accuracy of the underlying map values. The emphasis on road speed values and segment lengths will be particularly important to increase the accuracy of route lists provided to bus operators. AHSTS will have to continue to dedicate a substantial amount of resources to ensure that the default values are correct.

5.3.3.2 Revise the coding structure

The development of an improved coding structure for student and route data is a key requirement to improve the ability of AHSTS to fully assess current and future efficiency opportunities. Designing a schema that helps expedite the analysis of the data must be part of the larger effort that includes student data management and the use of technology to communicate bussing information. The goal of the structure should be to address a hierarchy of detailed questions such as:

- How many students are eligible for service? How many students are ineligible for service?

- How many students are eligible for service for reasons that are not distance related? What are the reasons (i.e., courtesy, hazard, board directed, etc)? What would be the change in bus requirements if these students became ineligible? How would they change if student loading values were changed?

- How would the number of buses change if eligibility distances were altered?

- How would costs change if we altered bell times? How would they change if the contract structure was changed?

It is unlikely that substantial changes to the existing user coding structure will be required, but a detailed review of student records to ensure the proper combination of eligibility and user eligibility coding will be necessary.

Revising the school, stop, and run coding structures would require more effort and are likely to require the development of a simulation database to test the results. Using a similar method it is possible to identify useful characteristics of these data elements that can be incorporated into the structure. Options such as Board assignment, geographic type (e.g., rural, urban), and school type (e.g., elementary, secondary, intermediate) could be considered among other options.

5.4   System reporting

A key benefit of modern routing software is the ability to quickly gather, collate and analyze large data sets. These data sets can then be used to communicate a wide variety of operational and administrative performance indicators to all stakeholders. Actively using transportation data to identify trends that may negatively impact either costs or service and communicate both expectations and performance is a key component of a continuous improvement model. This section will review and evaluate how data is used to evaluate and communicate performance and assess organizational competencies in maximizing the use of data retained in the routing software and related systems.

5.4.1   Observations

5.4.1.1   Reporting and data analysis

A limited formal or structured reporting is used within AHSTS. The Consortium has not instituted any formalized reporting schedule. The primary reports extracted from the system focus on run reports for schools and route reports for bus Operators. There is no procedure for using the system reporting to conduct internal performance assessments.

5.4.2   Recommendations

5.4.2.1   Institutionalize data analysis and reporting for performance evaluation purposes

The use of data for both performance analysis and reporting is a recognized best practice as both are key for effective and efficient operations. Particular consideration should be given to establishing a regular reporting program that couples tactical analysis of system health and accuracy with strategic analysis of the possibilities associated with strategic changes such as bell time changes, route integration, and alternative routing strategies. AHSTS should begin the process of defining critical key performance indicators and management data in order to establish a structured program of performance measurement. Previous recommendations regarding coding structures will necessarily be an element of the implementation of this recommendation.

5.5   Regular and special needs transportation planning and routing

Effective route planning is a key function of any high performing transportation operation. This section of the report evaluates the processes, strategies, and procedures that are used to maximise the use of the fleet, control costs while delivering a high level of service to students using each mode of transportation.

5.5.1   Observations

5.5.1.1   Bus route management

The management of bus routes in AHSTS is impacted by the other administrative responsibilities designated to each of the staff members. The Data Analyst has primary responsibility for systems management and technical support throughout the organization, but also assists in the development of bus routes. One of the Transportation Officers manages invoicing of bus operators and taxi companies and the other Transportation Officer assists in the scheduling of charters as a collateral duty to their route planning responsibilities. All of these administrative tasks limit the amount of time these individuals can specifically dedicate to the task of route planning and management. As a result, AHSTS has established a flexible approach to management and design of bus routes.

In addition to AHSTS staff, route coordinators are used to manage bussing operations in the northern and eastern areas serviced by the Consortium. These individuals are Board employees who manage multiple administrative functions in these regions. While not directly accountable to AHSTS, they do coordinate on issues related to data transfer and some operational questions, however, they are generally autonomous in their oversight of operations in these more remote areas. While this approach may be necessary given

the significant distance between the primary AHSTS operations and the more remote areas, the current structure may impact the Consortium's ability to adequately provide oversight in these.

Bus route management and design centers around two specific functions. The first is the annual planning function where all bus routes are reviewed for efficiency and adjusted over the summer months. The development of runs and routes is a collaborative process among the Supervisor, Transportation Officers and the Data Analyst. Each individual has the authority to develop and revise routes throughout the service area and then to bring these forward to the Supervisor for approval. The route coordinators generally collaborate with the operators to design the routes in those areas. Efforts were underway at the time of the review to centralize planning in those areas.

The route development process begins late in the school year with receipt of an updated student database where students have been promoted to the next grade. Students entering junior kindergarten are then brought into the dataset and routes are refined to accommodate home stops for these students. Revisions are made throughout the summer and first several weeks of school to address overloads or timing issues. Approximately three or four weeks into the school year the second key function, maintenance of the existing route set, begins. This is the period where staff are responding to inquiries about bus stop changes, new students entering the system and current students leaving the system. These daily tactical issues are address by all staff without regard to board assignment or the geographic location of students.

This structure works primarily due to the collaborative efforts of the current staff. However, there is a concern about the longer term viability of the approach. The lack of designated responsibilities may prevent staff from being held accountable for performance in a given area, and may result in two individuals unknowingly working on the same problem at the same time. Consideration of a more formalized structure using primary and secondary responsibilities for a particular area or family of schools would clarify responsibility and accountability.

5.5.1.2 Analysis of system effectiveness[10]

Run, stop, and school data was extracted from *Edulog* to assess the performance of the current routing scheme. The data presented significant challenges to conducting routing analyses typically included as part of the E&E Review as we observed inconsistencies in student counts and run data among the various source material collected, which causes concerns about the completeness and accuracy of data. Examples of specific concerns for each dataset are summarized below. The list is intended to be illustrative and not a comprehensive list of all the concerns.

- A total of 588 different runs were included in the run set for both morning and afternoon services. A total of 59 runs (10 percent) had no riders assigned but remained in the system. In addition, the "max load" value, representative of the maximum number of seats available and used to calculate capacity use, was set at 80 for 561 of the 588 runs. Given that the consortium does not use 80 passenger vehicles, it was necessary to adjust this value to 72 to reflect the more likely maximum number of seats available.

- 26 runs, particularly those from the northern and eastern areas, had run times that were unrealistic due to inaccurate characteristics and timing in those areas of the map. As mentioned, AHSTS has started this process and will continue to increase the accuracy of this information.

- A total of 8,699 students were assigned to stop locations in their student file, but the stop file included 8,458 students assigned to stops in the morning and 8,321 students in the afternoon. A maximum total of 62 morning and 47 afternoon students have opted out of transportation according to user eligibility codes.

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[10] 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.

- Of the 8,699 students with stop location in their student record, a total of 673 students (7.7 percent) who were assigned to bus stops were not assigned to bus runs and had no offsetting user eligibility code that would indicate that the student was opting out of transportation.

- 304 students (3.5 percent of the 8,699 students assigned to stops) were assigned to runs in their student record that did not match any run in the run list file provided.

- A total of 342 students identified as eligible despite having their user eligibility code identify them as within a walking zone. While this may be due to hazard area considerations, it is not possible to identify them as such with the data provided.

As a result of these observations, portions of each of the datasets that appeared most complete and accurate were selected for the analysis presented below.

A review of school start times indicates a substantial clustering of times that limits the reuse of existing assets. Over 70 percent of the schools start between 8:45 and 9:00 AM and 63 percent release between 3:25 and 3:30 PM. This is managed somewhat through the use of a 45 minute arrival window for secondary students in the morning and a 10 minute departure window in the afternoon. The 45 minute window is extremely unusual and essentially represents a "false tier" or an artificial bell schedule.

A total of 346 of the 588 runs that used a max load value of 80 and had an assigned load greater than 19 were selected to calculate capacity use. This subset of data was selected because it was estimated to be primarily home-to-school routes and would likely not have included special needs runs that would be expected to have lower rates of capacity use. The max value of 80 was adjusted to 72 to be more reflective of available seats. Average capacity use was calculated at 51 percent, or approximately one of every two available seats being empty. While it is difficult to adjust for the presence of runs in rural areas, this value, coupled with the fact that one-third of the runs were not considered in the analysis, indicates a need to assess basic system setup and whether changes to run times, stop locations, or routing practices could encourage increased efficiency.

In order to assess service issues, two time related values were calculated. The first was average bus run time. This represents the amount of time the bus operates from its first pickup to its last drop off. Consequently, it will somewhat overstate the average amount of time any student is on the bus due to the influence of particularly long runs. Based on run data for the 577 runs that were identified as less than three hours in length; the average run time was 48 minutes. The second measure calculated was average ride time. As was previously mentioned, the source data used for this calculation is different from that used for the run time calculation. Consequently the number of students included in the calculation are different, but the results are still representative. In order to derive the value, the difference between when a bus arrives at a stop and when it drops the student off at their destination is calculated. This value presents a more complete picture of the actual amount of time students are on the bus. The chart below summarizes the ride times in 10 minute intervals for morning rides.

Figure 7: Morning Ride Time Chart
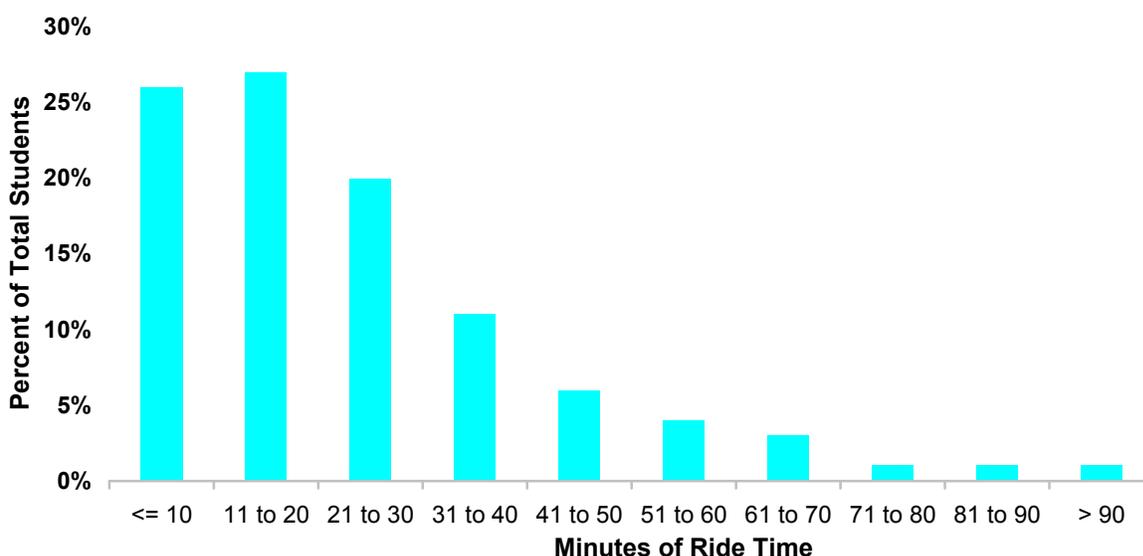
Over 70 percent of the students have ride times that are 30 minutes or less in the morning. This is an impressive result given the large service area. Also of note is that 6 percent of the all student rides are greater than the elementary school guideline of 60 minutes and less than 1 percent of students exceed the 90 minute secondary school ride time guideline.

5.5.2   Recommendations

5.5.2.1   Clarify routing responsibilities among staff

Currently, the collective responsibility for addressing run design and changes may prevent individual responsibility for ensuring that any particular area is efficient. Evaluating the collateral duties assigned to the Transportation Officers and the Data Analyst and assessing whether a distinction can be made that would allow for the assignment of a specific aspect of the system would bring clarity and accountability to work assignments.

The relationship between the route coordinators in the remote areas and AHSTS should be clarified. Currently efforts are underway to incorporate route planning into normal AHSTS activities. However, this will not clarify lines of authority for oversight of operations. Determining whether or not these individuals will be AHSTS staff is the first step in clarifying the relationship. If they are not going to be AHSTS employees, establishing the appropriate mechanisms to promote reasonable accountability and proper capture and allocation of costs related to their transportation responsibilities will be necessary.

5.5.2.2   Conduct a full and detailed assessment of the current technology setup

AHSTS should conduct a full and detailed assessment of its current setup and use of the transportation management software. Inconsistencies in source data and concerns about data quality coupled with previous recommendations on assessing the coding structure indicate a need to assess whether current practices are providing the data necessary to fully understand and evaluate operational performance. A review of the current setup coupled with an assessment of whether bell time changes are more appropriate than the use of a 45 minute arrival window should be part of general routing analysis.

5.6   Results of E&E Review

Routing and technology has been rated as **Moderate-Low**. The Consortium has developed an array of administrative procedures to manage the student data and backup processes. Improvements in the coding structure, default map values, the status of current and planned technologies and inconsistencies in source data reflect a need to assess the use and practices associated with the current transportation management information system. While the system is certainly adequate to meet the needs of the Consortium, true value will be received if there is assurance that the data is complete and accurate.

6   Contracts

6.1   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 – E&E Rating:	Moderate-Low

6.2   Contract Structure

An effective contract[11] 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.

6.2.1   Observations

6.2.1.1   Bus operator contract clauses

The Consortium has standardized, executed contracts with all of its bus operators. The current contract was executed in September, 2010 and is valid through June, 2011. The contract includes a clause that extends the contract at the sole discretion of the Consortium subject to rate adjustments. Noteworthy clauses in the contract include :

- Training requirements for drivers: The Consortium mandates that operators provide a driver safety training program that includes First Aid, EpiPen, defensive driving, and vehicle evacuation training. Operators are not directly compensated for providing this training to their drivers. Operators are not required to provide EpiPen training prior to them beginning their duties, although discussions with Consortium management indicated that this is done in practice;

- Details related to driver, vehicle and operator performance, including an obligation to perform trial runs prior to the start of each school year;

- Details related to communication and operational expectations;

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[11] 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.

- Compliance requirements with respect to the contract, Consortium policies, and provincial and federal regulations;

- Vehicle age requirements. The contract mandates a maximum vehicle age of 10 years for 72-passenger school buses;

- Fee structures and payment schedules, including information on adjustments due to inclement weather and fuel cost; and

- Other terms related to insurance coverage requirements; dispute resolution, termination and confidentiality.

The Consortium reserves the right to re-allocate routes among operators.

Safety training for drivers is provided and tracked primarily by the operators as part of their annual school start up process. Discussions with the Consortium's bus operators indicated that the provision of safety training, including EpiPen training, is often a part of their pre-employment training.

Discussions with Consortium management indicated that the bus operator contract was not reviewed by the Member Board's legal counsel prior to its execution.

6.2.1.2   Bus operator compensation

The compensation formula identified in the bus operator contract is based on the following components:

- A fixed daily administration rate per day per bus, or per day, depending on the operator. This component is intended to cover back-office costs such as the cost of providing driver training; plus

- A fixed fee per vehicle, per day based on vehicle type. This component is intended to cover the operator's capital costs associated with equipment; plus

- A variable component, which is based on the average price of fuel for that particular month. The fuel component is then inputted into a mutually recognized formula which determines the actual variable cost per kilometer. This formula also includes factors for parts, labour and a fixed profit margin; plus

- Adjustments for cancellations due to inclement weather, labour disputes and other considerations.

Inclement weather days are paid using the sum of the fixed administration daily rate and the fixed fee per vehicle per day.

6.2.1.3   Taxi operator contract clauses

The Consortium uses taxis primarily for the transport of students with special needs. The Consortium has executed standard contracts with all of its taxi operators. This contract was executed in November, 2010 and is valid from September, 2010 to June 2011. Noteworthy clauses included in the taxi operator contract state, among other things:

- Services to be provided by the taxi operators;

- Clauses related to compliance with appropriate legislation and governing bodies;

- Operator information submission requirements. Taxi operators are required to submit driver's license and expiry information to the Consortium, which is then verified.

- Other terms related to insurance coverage requirements, termination and confidentiality.

The taxi operator contract does not outline the obligations of the Consortium with respect to routing and the provision of student information, does not include a clause related to dispute resolution and does not identify the rates to be paid by the Consortium to the operator for services provided. The contract also does not impose safety training requirements on taxi operators, including the provision of First Aid, CPR and EpiPen training. However, the contract requires drivers to render immediate assistance to students in the event of an accident.

Discussions with Consortium management indicated that taxi operators are compensated based on the meter rate. These rates are maintained within a fixed range as determined by each operator's respective municipality.

6.2.1.4 Public transit operator contract clauses

The Consortium provides public transit passes to students enlisted in specific programs such as co-op and life skills . Discussions with Consortium management indicated that the Consortium does not have a signed agreement with the municipal transit service provider despite the best efforts of Consortium management. These discussions also indicated that the municipal transit service providers indicated that they needed additional time to assess the standard clauses being put forward by the Consortium.

6.2.1.5 Parent drivers

Parent drivers are utilized by the Consortium to transport students that are outside regular geographic parameters; i.e. students who live on roads that do not comply with Ministry of Transportation standards or are unsafe. Parent drivers are also used in situations of extraordinary special need or if it is more economically feasible for parent drivers to be used. The Consortium has executed standard contracts with its 20 parent drivers.

The parent driver contract outlines the Consortium's licensing and insurance requirements - which are verified upon the execution of the contract, the conditions under which students are to be transported, and the formula to be used to determine the payment amounts. Parent drivers transporting students from the HSCDSB are paid a per kilometre rate based on that Board's mileage allowance; parent drivers transporting students from the ADSB are compensated a fixed amount per day for which services are provided. Mileage calculations are based on data produced by the Consortium's routing system. Student attendance is documented either through attendance profiles, or through discussions with school secretaries.

6.2.2 Best Practices

It is recognized that the Consortium has demonstrated best practice in the following areas:

Insurance

AHSTS requires its operators to provide proof of insurance prior to the start of the school year. This ensures that this important risk mitigation measure is met prior to providing any services.

Parent drivers

Contracts are signed with all parent drivers. The formalization of this type of arrangement through contracts and stipulated compliance requirements helps to limit the liability to the Consortium. It is suggested, however, that the Consortium document the conditions under which the services of parent drivers will be utilized.

6.2.3 Recommendations

6.2.3.1 Modify safety related clauses in the bus operator contract

It recognized that the Consortium requires bus operators to provide First Aid/CPR and EpiPen to its drivers and that, in practice drivers receive this training prior to the start of the school year. However, in order to bring contract clauses in line with current best practices, and in order to improve the Consortium's risk management efforts, it is recommended that the Consortium modify its operator contract to require operators to provide EpiPen training prior to the first time they are to drive with students. This ensures that all drivers are appropriately trained to deal with this type of emergency should it occur.

6.2.3.2 Include additional clauses in the taxi operator contract

It is recommended that the Consortium modify its contract with taxi operators to outline the following clauses:

- The obligations of the Consortium with respect to routing and student information provision;

- A clause related to dispute resolution;

- The rates to be paid by the Consortium to the operator for services provided (these could be referenced to the appropriate municipal by-law);

- A clause requiring taxi drivers to have appropriate First Aid, CPR and EpiPen training. Given that taxis are primarily used to transport students with special needs, drivers should also be trained to manage the particular types of emergencies that could arise as a result of the unique conditions of

each child that they are carrying. Such training should be provided to drivers upon hire or soon after hire in order to ensure that drivers have the appropriate skills and training to manage life threatening emergencies should they arise. It is recognized that there are logistical challenges associated with the provision of this training; however, ensuring that this training is provided is a key aspect of the Consortium's risk management efforts. It is also necessary in order to ensure that operators can remain compliant with the contract, since it requires drivers to render immediate assistance to students in the event of an accident.

6.2.3.3   Document the relationship between municipal transit authorities and the Consortium

The Consortium should continue efforts to sign either a contract or a statement of understanding with the municipal authorities outlining the service level relationship with respect to the provision of transit passes.

6.3   Goods and Services Procurement

Procurement processes are intended to provide an avenue by 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.

6.3.1   Observations

The Consortium currently procures its operator services through a negotiated process. The Consortium's operators have not formed an association to negotiate the annual contract; however, the Consortium's smaller operators are often represented during the negotiations by the two largest operators. Negotiations are conducted simultaneously.

The Consortium has previously initiated a competitive process for the procurement of one of the types of operators that it utilizes, but cancelled the process due to concerns regarding the quality, competitiveness and cost implications of the bids received.

6.3.1.1   Operator procurement

The process used by the Consortium to negotiate the operator contract is not currently documented in a governance approved procedure related to operator service procurement. The Consortium's annual negotiation process begins in March with the initiation of discussions between the Supervisor of Transportation and the operators regarding the contract. Any issues that need to be addressed are then brought forward to the Administrative Team along with the results of the Consortium's scenario analysis. At this stage, the negotiating position of the Consortium is developed and the negotiation process initiated. Negotiations for the current year's contract were concluded prior to the start of the school year, although discussions with Consortium management indicated that this has not always been the case.

The Consortium had initiated a competitive process for the procurement of one of the types of operator services that it utilizes. Discussions with Consortium management indicated the rationale underlying the initiation of this process was to allow the Consortium to include additional service parameters into its contract and to ensure a uniform price for services. However, the process was postponed by Consortium management due to concerns regarding the bids received. Discussions with Consortium management indicated that it intends to further refine the process used to procure operator services competitively.

The Consortium does not currently have a documented, governance approved procurement calendar that sets formal deadlines for all procurement/negotiations.

6.3.1.2   Special needs transportation

Special needs transportation is procured through the same process used to procure regular operator services.

6.3.2   Recommendations

6.3.2.1   Develop and communicate a procurement calendar

The Consortium should develop and document a procurement calendar and format and communicate key dates, milestones and expectations to operators and members of the Consortium governance. A calendar of key dates, milestones and responsibilities will help to ensure that the Consortium and operators can reach agreement on next year's contract prior the start of the school year.

6.3.2.2 Continue to refine the Consortium's competitive procurement processes

While it is recognized that the Consortium has previously initiated a competitive process for the procurement of one of the types of operator services that it receives, this process was postponed due to concerns related to the quality of the bids received. It is therefore recommended that the Consortium continue to refine the timing, documentation submission and scope aspects of its competitive procurement process and subsequently develop a plan for the competitive procurement of operator services.

When using a competitive process, particular attention should be given to the relationship between the proposed scope of work, price, and the competitiveness of the process. The Consortium should also aim to ensure that the timing of the request is sufficient to allow bidders to do an effective due diligence of the business opportunity. Finally, in evaluating the successful proponents, cost should not be the overriding factor as that will encourage low cost proponents to enter the market while not necessarily ensuring that the same or improved levels of service are being provided. The *Contracting Practices Resource Package* released by the Ministry and best practices from other Consortia across the Province should be leveraged in order to ensure that the Consortium's future competitive procurement practices result in bids that are in line with expectations.

6.4 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 enhance service levels and 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 keep 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.

6.4.1 Observations

The basis for the implementation of contract management processes at the Consortium is included in the Consortium's operator contract, which requires operators to comply with any efforts made by the Consortium to audit the provision of services. The Consortium does not currently have a documented, governance approved policy and procedure outlining its contract management practices; however, a draft of such a policy has been developed and is currently being reviewed. This policy outlines the timing, rationale, methodologies, documentation and follow-up requirements associated with all of its contract management practices.

6.4.1.1 Bus operator administrative contract compliance

The Consortium is currently in the process of implementing a documented, comprehensive operator administrative contract compliance process, but that this process is new to this year.

For its smaller, remote operators, the Consortium collects and verifies the information submission requirements included in the contract and logs the operator's compliance. For larger operators, the Consortium ensures compliance through on-site visits by a Transportation Officer of which the operators are informed in advance. The results of these visits are documented and communicated back to the operators, along with an identification of best practices being implemented by operators. Consortium management indicated that two such visits have been conducted thus far this year.

The draft contract management policy presented to the E&E Review Team outlines the process to be used by the Consortium to ensure administrative and contract compliance on a go-forward basis. The policy states that all documents are to be received by the Consortium prior to the start of the year. The procedure associated with the policy states that master check lists are to be created for all different types of operators and monitored by the appropriate staff member. The procedure further states that additional verification may be conducted during facility audits.

6.4.1.2 Bus operator facility and maintenance monitoring

The Consortium's facility and maintenance monitoring efforts are included as part of the on-site inspections conducted by the Transportation Officers to ensure administrative contract compliance. As such, operator compliance with the facility and maintenance requirements included in the contract have been verified for two of the Consortium's seven operators this year.

The draft contract management policy presented to the E&E Review Team outlines the framework to be used by the Consortium to ensure facility and maintenance compliance on a go-forward basis. The policy states that the Consortium will reserve the right to, and will act on, its right to audit all of its operator's facilities to ensure compliance with the operator contract or when such an audit is required 'at cause'. The Consortium is to conduct an audit of its operators at least once every two years. The procedure to be used to verify compliance is the same as the administrative and contract compliance process.

6.4.1.3 Operator safety and service monitoring

The Consortium is currently in the process of implementing a new, random, documented process to ensure that the on-the-road performance of operators is in line with expectations and requirements outlined in the contracts. Discussions with Consortium management indicated two such assessments have been conducted thus far. These discussions also indicated that Consortium management intends to audit five percent of its routes on a go-forward basis. These expectations are outlined in the draft policy on contract management; however, additional details regarding the processes to be used to conduct route audits are not included.

6.4.1.4 Performance monitoring

The Consortium has communicated the results of its contract management processes to operators in the past. The Consortium intends to formally track operator performance on a go-forward basis within the framework created by its draft policy on contract management. This policy states that, upon being reviewed by the Supervisor of Transportation and Consortium staff, a performance review report is to be issued to the operator after each review with best practice recommendations included. A follow up audit is to be conducted within 6 months for all operators that do not meet the minimum standards; however, the minimum standards to be met are yet to be defined. An overall performance review is to be conducted at the end of each year.

6.4.2 Best Practices

It is recognized that the Consortium has demonstrated best practice in the following areas:

Operator administrative, contract, facility and maintenance compliance

The Consortium ensures that the information, facility and vehicle requirements outlined in the operator contracts are verified in a timely manner and tracks the performance of operators over time. Such efforts to ensure operator compliance help the Consortium to measure whether the operators are complying with stated contract clauses. The Consortium should continue its efforts this regard and aim to ensure compliance from all operators by the end of the year.

Operator safety and service monitoring

The Consortium performs periodic on-the-road audits of operators to ensure that on-road service quality matches the expectations set out in the operator contract. Audits are a key component of contract management. They measure whether the operators and drivers are complying with both the contract, as well as the relevant laws of the road. This ultimately helps to determine whether the operator is providing safe, reliable and efficient service. The Consortium should continue its efforts this regard and aim to ensure that it meets its five percent target by the end of the year.

6.4.3 Recommendations

6.4.3.1 Modify, approve and implement the draft contract management procedure

It is recommended that the Consortium modify the draft contract management procedure to include additional details associated with the operator-on-the-road monitoring process to be used by the Consortium, including the processes to be used to conduct route audits. Upon incorporating this modification, Consortium management should move to have the new process approved and implemented in a documented, random (where appropriate) manner.

The verification of bus operator compliance with the contract is important from a safety, risk management, contract management and perception management perspective. It is imperative that the Consortium verify that safety standards are being met by operators. By checking compliance with route sheets the Consortium is also mitigating several risks ensuring that only eligible students are transported, route sheets are followed and only appropriate stops are made. From a contract management perspective, having such performance knowledge of operators will allow the Consortium to work with operators to ensure they are receiving the quality of services for which they are paying. Additionally, since end-users ultimately base their perception of the services provided by the Consortium on their experience with operators, the implementation of monitoring processes will help the Consortium more effectively gauge the quality of the service being provided by operators to end users.

Where resource constraints have prevented the implementation of such a system, Consortium management should undertake discussions with the Member Boards in order to identify alternate systems (such as GPS monitoring) that may be implemented to mitigate the risk of non-compliance with the contract.

6.5   Results of E&E Review

The process by which the Consortium negotiates, structures, and manages its contracts for transportation services has been assessed as **Moderate-Low**. Although the Consortium has a complete bus operator contract and generally effective operator contract management procedures, there are modifications necessary to both of these elements.

Changes are required in order to increase the clarity and effectiveness of the Consortium's contracting practices. The primary areas for improvement include additional refinements to the competitive procurement process used by the Consortium to procure operator services, the modification and implementation of a new contract management procedure, and critical safety modifications to the Consortium's taxi operator contract.

7   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 in Phase 4. 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 7: Funding Adjustment Formula

Overall Rating	Effect on deficit Board[12]	Effect on surplus Board[12]
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:

Huron-Superior Catholic District School Board as Member Boards

Item	
2009-2010 Transportation Surplus (Deficit)	$137,266
% of Surplus (Deficit) attributed to the Consortium	91.35%
Revised amount to be assessed under the Consortium	$125,392
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	0%
2010-2011 Total Funding adjustment	Nil

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[12] This refers to Boards that have a deficit/surplus on student transportation

Algoma District School Board

Item	
2009-2010 Transportation Surplus (Deficit)	$295,920
% of Surplus (Deficit) attributed to the Consortium	100%
Revised amount to be assessed under the Consortium	$295,920
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	0%
2010-2011 Total Funding adjustment	Nil

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

Conseil scolaire de district catholique du Nouvel-Ontario

Item	
2009-2010 Transportation Surplus (Deficit)	$0
% of Surplus (Deficit) attributed to the Consortium	18.43%
Revised amount to be assessed under the Consortium	$0
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	0%
2010-2011 Total Funding adjustment	Nil

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

Conseil scolaire de district du Grand Nord de l'Ontario

Item	
2009-2010 Transportation Surplus (Deficit)	-$329,459
% of Surplus (Deficit) attributed to the Consortium	3.42%
Revised amount to be assessed under the Consortium	-$11,258
E&E Rating	Moderate-Low
Funding Adjustment based on Ministry's Funding Adjustment Formula	0%
2010-2011 Total Funding adjustment	Nil

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

Appendix 1: Glossary of Terms

Act	Education Act
ADSB	Algoma District School Board
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 AHSTS	Algoma and Huron Superior 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 1.1.5
E&E Reviews	As defined in Section 1.1.4
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 Algoma and Huron Superior Transportation Services" which supports the E&E Review Team's Assessment; this document is not a public document
Funding Adjustment Formula	As described in Section 1.3.5
HSCDSB	Huron-Superior Catholic District School Board
HR	Human Resources
IT	Information Technology
JK/SK	Junior Kindergarten/Senior Kindergarten
KPI	Key Performance Indicators
Management Consultants	As defined in Section 1.1.5
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 1.1.5

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 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; the HCDSB and the ADSB
Rating	The E&E Assessment score on a scale of High to Low, see Section 1.3.4
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
Type A school bus	A smaller asset, typically with a 20 passenger capacity, oftentimes used to transport special needs students

Appendix 2: Financial Review – by School Board

Huron-Superior Catholic District School Board as Member Boards

Item	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Allocation	$3,369,660	$3,358,976	$3,424,830	$3,534,673	$3,547,339
Expenditure	$3,183,722	$3,187,201	$3,311,941	$3,477,213	$3,410,073
Transportation Surplus (Deficit)	$185,938	$171,775	$112,889	$57,460	$137,266
Total Expenditures paid to the Consortium	$2,996,519	$2,999,793	$3,117,199	$3,272,737	$3,115,089
As % of total Expenditures of Board	94%	94%	94.12%	94.12%	91.35%

Algoma District School Board

Item	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010[13]
Allocation[14]	$7,784,672	$7,745,739	$7,882,240	$8,136,922	$8,213,327
Expenditure[15]	$7,920,664	$7,563,317	$7,806,879	$8,258,349	$7,917,407
Transportation Surplus (Deficit)	-$135,992	$182,422	$75,361	-$121,427	$295,920
Total Expenditures paid to the Consortium	-$135,992	$182,422	$75,361	-$121,427	$295,920
As % of total Expenditures of Board	100%	100%	100%	100%	100%

Conseil scolaire de district catholique du Nouvel-Ontario

Item	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Allocation	$5,683,929	$5,741,839	$5,907,721	$6,100,421	$6,125,802
Expenditure	$4,992,628	$4,948,919	$5,327,907	$5,477,305	$6,125,802
Transportation Surplus (Deficit)	$691,301	$792,920	$579,814	$623,116	$0
Total Expenditures paid to the Consortium	$4,160,981	$4,151,551	$5,032,994	$5,174,122	$1,128,926
As % of total Expenditures of Board	83%	84%	94.46%	94.46%	18.43%

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

[15] Expenditure based on Ministry data - taken from Data Form D:730C (Adjusted expenditures for compliance) - 212C (Other Revenues) + Schedule 10:620C (Transportation Amortization)

Conseil scolaire de district du Grand Nord de l'Ontario

Item	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Allocation	$1,466,825	$1,467,536	$1,673,105	$1,732,878	$1,765,402
Expenditure	$1,648,704	$1,692,421	$1,880,928	$1,870,323	$2,094,861
Transportation Surplus (Deficit)	-$181,879	-$224,885	-$207,823	-$137,445	-$329,459
Total Expenditures paid to the Consortium	$1,400,019	$1,451,002	$104,114	$103,527	$71,581
As % of total Expenditures of Board	85%	86%	5.54%	5.54%	3.42%

Appendix 3: Document List

1	C1(a).PDF
2	C1(b).PDF
3	C1(c).PDF
4	C2.PDF
5	C3(a).PDF
6	C3(b).PDF
7	C3(c).PDF
8	C4.PDF
9	C5.PDF
10	C6(a).PDF
11	C6(a).PDF
12	C6(b).PDF
13	C7(a).PDF
14	C7(b).PDF
15	C7(c).PDF
16	C8(b).PDF
17	C8(c).PDF
18	C9(a).PDF
19	C9(b).PDF
20	C9(c).PDF
21	C9(e).PDF
22	C9(f).PDF
23	C9(g).PDF
24	CM(6).PDF
25	CM1(c).PDF
26	CM1(c).PDF
27	CM10(a).PDF
28	CM10(b)&(c).PDF
29	CM11(b).PDF
30	CM12(a).PDF
31	CM12(d).PDF
32	CM12(e).PDF
33	CM12(f).PDF
34	CM13(a).PDF
35	CM13(c).PDF

36	CM13(d).PDF
37	CM13(e).PDF
38	CM14(c).PDF
39	CM14(d).PDF
40	CM14(e).PDF
41	CM14(f).PDF
42	CM1a.PDF
43	CM2(a).PDF
44	CM2(b).PDF
45	CM2(c).PDF
46	CM3(a).PDF
47	CM3(b).PDF
48	CM4.PDF
49	CM8.PDF
50	CM9(a).PDF
51	CM9(b).PDF
52	CM9(c).PDF
53	CM9(e).PDF
54	CM9(f).PDF
55	DEL1.Comp.Confirmation.PDF
56	DEL2.Var.RateCalc.PDF
57	DEL3.TaxiDr.Lic.PDF
58	DEL4.ContractMan.Pol.PDF
59	Org_Chartupdate.PDF
60	OSBIE_AHSTS.PDF
61	PP1.PDF
62	PP2.PDF
63	PP3.PDF
64	PP4.PDF
65	PP5.PDF
66	PP6.PDF
67	PP8.PDF
68	RT1.PDF
69	RT2.PDF
70	RT3.PDF
71	RT4.PDF
72	RT5.PDF

Appendix 4: Common Practices

		Elementary	Secondary	Secondary
	JK	**Gr. SK – 3**	**GR. 4 - 8**	**GR. 9 - 12**
Home to School Distance				
Common Practice	0.8 km	1.2 km	3.2 km	3.2 km
Policy – SSM Area	Door-to-door	0.75 km	1.5 km	2.25 km
Policy – North Area	Door-to-door	0.75 km	1.5 km	2.25 km
Policy – East Area	JK & SK: Door-to-door; Gr. 1 to 8: 1.6 km; Gr. 9 to 12: 2.25 km			
Home to Bus Stop Distance				
Common Practice	0.5 km	0.8 km	0.8 km	0.8 km
Policy - AHSTS	Door-to-door	0.375 km	0.75 km	1.125 km
Arrival Window				
Common Practice	18	18	25	25
Practice - AHSTS	15	15	15	45[16]
Departure Window				
Common Practice	16	16	18	18
Practice – AHSTS	15	15	15	15
Earliest Pick Up Time				
Common Practice	6:30	6:30	6:00	6:00
Practice – AHSTS	**6:43 AM is the earliest pick-up time in the database**			
Latest Drop Off Time				
Common Practice	5:30	5:30	6:00	6:00
Practice – AHSTS	**6:19 PM is the latest drop-off time in the database**			
Maximum Ride Time				
Common Practice	75	75	90	90
Practice - AHSTS	60	60	60	90
Seated Students Per Vehicle				
Common Practice	69	69	52	52
Practice - AHSTS	JK to Grade 6: 3 per seat			
	Grade 7 to 12: 2 per seat			

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[16] Appendix C of the Consortium Agreement provides for a 15 minutes window in the morning and the afternoon. The 45 minute arrival window is a maximum in a limited number of cases.

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