Deloitte.

Ministry of Education Effectiveness & Efficiency Follow-up Review

Simcoe County Student Transportation Consortium

E&E Follow-up Review

June 2013

Final Report

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Executive Summary

This report details the findings and recommendations of an Effectiveness and Efficiency Follow-up Review ("E&E Review") of the Simcoe County Student Transportation Consortium Corporation (hereafter "SCSTC" or "the Consortium") conducted by a review team selected by the Ministry of Education (hereafter the "Ministry").

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

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

Original review summary

The original review of Consortium Management found that while the Consortium is a separate legal entity, a number of the Consortium's administrative and managerial practices were still segregated by the Member Boards, and much of the decision-making authority still rested with each respective Member Board. The Consortium's structure was therefore more akin to that of a joint transportation services department despite having a legal entity in place. The review of Consortium Management concluded that significant modifications were required to the Consortium's governance, organization, and management structures in order to improve the effectiveness and efficiency of its overall operation. The most critical recommendation was the review of the efficiency of the Consortium's governance structure and an assessment of the delineation between, and delegation of, the Consortium's operational and governance responsibilities. This process was to then lay the groundwork for the effective implementation of other recommendations relating to the Consortium's human resources, planning, reporting and financial practices.

During the original review, it was evident that the Consortium had invested a considerable amount of time and effort in the development of its Policies and Procedures, all of which were to be incorporated into Administrative and Operations manuals. It was recommended that the Administrative and Operations manuals be finalized in order to ensure that the desired levels of service were clearly established, understood and delivered. The Consortium was also recommended to complete the development of policies and/or procedures related to hazard transportation and to reconcile potential inconsistencies and inaccuracies that were associated with the time lag between entry in *eSIS* and download into *Edulog*.

The original review analysis of Routing and Technology indicated that, as evidenced by student ride times, a high level of service was being provided to all students served by the Consortium. A highly functional technology infrastructure and reporting scheme had also been established. Recommendations included an evaluation of the current transportation approval process and additional improvements in the use of technology, such as improved integration with the student database, the development of a separate consortium website and a review of the bell time structure. It was noted that by focusing on these recommendations, the Consortium would be able to provide a higher level of service through more effective routing and technology use.

Lastly, the Consortium was recognized for the implementation of appropriate safety and service compliance procedures, although modifications to this process were recommended. In addition, significant changes were required in order to increase the clarity and effectiveness of the Consortium's Contracting practices. These included:

- The immediate execution of bus operator contracts for the 2009-10 school year and continued efforts to ensure that future contracts are in place before the commencement of the school year;

- Modifications to the non-monetary terms of the Consortium's bus operator contract as well as a change to the bus operator compensation formula;

- A transformation of the operator procurement process, including the development of plans for the implementation of competitive procurement processes; and

- The implementation of robust operator performance monitoring processes.

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

E&E Follow-up Review summary

The original E&E Review identified several areas of improvement for SCSTC. This follow-up review has found that the Consortium has made significant progress since the original E&E Review was completed. Some of the more significant changes are noted below:

- The Consortium has clarified the roles and responsibilities of the Consortium's governance structure and formally documented the membership of the Executive Committee;

- The Board of Directors has hired a CEO who is responsible for the day-to-day management of the Consortium;

- All Member Board employees that were working with SCSTC became employees of the Consortium in September 2011;

- The Consortium has signed transportation service agreements with its Member Boards;

- The Consortium has developed and implemented a performance evaluation program with its staff;

- The Consortium has finalized and approved both an Operations and Administration Manual;

- The Consortium has documented the ridership appeal process;

- The Consortium has documented comprehensive special needs policies;

- The Consortium has developed its own Website;

- The Consortium has executed bus operator contracts with all of its operators; and

- The Consortium has successfully competitively procured 100 percent of its routes.

The Consortium has undergone significant changes since the original E&E Review. The original review report included numerous recommendations, which the Consortium has implemented or is currently in the process of implementing. As a result, the review team was able to identify several new areas where the Consortium has reached best practices in the sector, including successfully implementing a competitive procurement process for 100% of its routes.

The actions and policies of the Consortium demonstrated the Consortium's commitment to, and focus on, improvement since the last review. The dedicated Consortium team has now built a strong foundation which has not only been vital to them in achieving their current level of success, but also sets them up to achieve significant successes in the future.

Funding Adjustment

As a result of this review of current performance, the Consortium has been rated **High**. Based on this evaluation and the funding gap in 2011-2012, the transportation allocation for the Simcoe County District School Board and the Simcoe Muskoka Catholic District School Board will remain unchanged in the 2012-2013 school year.

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

1 Introduction

1.1 Background

1.1.1 Transportation Reform

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

1.1.2 Follow-up Review

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

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

From 2006-07 to the end of 2011-12 school year, the Ministry has provided a total of $32M in additional funding to the reviewed boards.

1.2 Scope of Deloitte Engagement

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

- Lead the planning and execution of E&E follow-up reviews for each of the transportation consortia to be reviewed in Phases five, six and seven (currently in phase six);

- At the beginning of each review, convene and moderate E&E Review Team planning meetings to determine data required and availability prior to the review;

- Review Consortium arrangement, governance structures and contracting procedures;

- Incorporate the results of the routing and technology and policies and practices reviews completed by MPS into the final report; and

- Prepare report for each consortium that has been subject to an E&E Follow-up Review in Phases five, six and seven. The target audience for the report will be the Ministry, the Consortium, and its Member Boards. Once finalized, each report will be released to the Consortium and its Member Boards.

1.3 Methodology and team used to complete E&E Reviews

1.3.1 Team & Methodology

The composition of the team and the methodology used for this follow-up review is the same as in the initial 2009 E&E Review. Please refer to the first report for a detailed description of the team and methodology. The same Evaluation Framework and Assessment Guide were also applied in the follow-up review to ensure consistency in evaluation. For each of the four sections examined in terms of Effectiveness and Efficiency, the existing operations have been analysed based on observations from fact (including interviews) in order to document progress incremental to the 2009 E&E Review. Observations which have been assessed as best practice are documented as accomplishments of the Consortium. Areas for additional improvement have also been noted. In situations where there has been no incremental progress related to the recommendations from the 2009 E&E Review, those topics remain

unaddressed in this report i.e., we have not reported on items that have remained at the same level of effectiveness and efficiency as the original report. The related recommendations from the 2009 report continue to be valid. Incremental accomplishments or areas for improvement are used to revise, as appropriate, the E&E assessment for each of the four sections. The criteria of an effective and efficient Consortium are summarized in the following figure:

Figure 1: 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

1.3.2   Funding adjustment

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

Table 1: Funding Adjustment Formula

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

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

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

1.3.3   Purpose of report

This Report serves as the deliverable for the E&E Review conducted on the Consortium by the E&E Review Team during the week of April 1, 2013.

1.3.4   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.

1.3.5   Limitations on the use of this report

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

2 Consortium Management

2.1   Introduction

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

- Governance;

- Organizational Structure;

- Consortium Management; and

- Financial Management.

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

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

2.2   Governance

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

2.2.1   Original recommendations

Document the Management Committee

Given that members of the Consortium's Board of Directors expect the Management Committee to play a critical role in the development of the Consortium, it is essential that the structure, role, responsibilities, and procedural elements of this committee's function be documented and approved by Member Boards. Such documentation will not only increase the clarity of decision making within the Consortium, it will also ensure that there is a clear delineation between the expected role of the Management Committee, the Board of Directors, and the Consortium. This documentation may be included as part of the Consortium Membership Agreement or Bylaws and should, at minimum, outline the following:

- *The process and individuals involved with the selection of Management Committee members;*

- *The structure and composition of the Management Committee (consistent with best practices for consortium governance, the Management Committee should have equal representation from the Member Boards);*

- *The structure and composition of the Management Committee (consistent with best practices for consortium governance, the Management Committee should have equal representation from the Member Boards);*

- *The term of all individuals involved with the Management Committee;*

- *Decision making requirements (i.e. majority votes, consensus) and processes;*

- *Procedural aspects related to meetings (e.g., meetings should be scheduled in advance and should have formal agendas). Management Committee meetings should be formally documented using meeting minutes that are ratified and signed, with an 'original' copy stored with the Consortium;*

- *A dispute resolution process for Management Committee members; and*

- *The roles and responsibilities of the Management Committee and all individuals involved with it.*

Additional detail regarding the documentation of roles and responsibilities is provided in the following recommendation.

Clarify and document the roles and responsibilities of the Consortium's governance structures

While the composition of the Board of Directors and some of the procedural elements related to its function are documented, there is currently no document that clearly outlines its roles and responsibilities. It is therefore recommended that the Consortium develop a Member Board-approved document that outlines the roles and responsibilities of both the Board of Directors and the Management Committee. The identified roles and responsibilities should:

- *Ensure that there is no ambiguity with respect to the function of the Board of Directors and the Management Committee;*

- *Ensure that the Board of Directors and the Management Committee have sufficient decision making responsibility delegated to them in order to ensure comprehensive and efficient oversight; and*

- *Reflect a clear delineation between the oversight and strategic responsibilities of governance and the day-to-day activities of Consortium management. This distinction should also be reflected in the Consortium's practices.*

Re-evaluate the Consortium's governance structure from an efficiency standpoint

In order to improve the efficiency of the Consortium's governance structure, it is recommended that both Member Boards work together to evaluate alternative governance structures that may provide for faster decision making for the Consortium without compromising effective oversight. In particular, Member Boards should discuss the delegation of decision making authority to the Consortium's governance structures and management, and the distinction between the types of items that need to be brought forward to the governance bodies for approval versus those that can be brought forward for information.

Document and formalize meetings of the Consortium's governance structures

There is currently no pre-established schedule of meetings for either the Board of Directors or the Management Committee. In addition, meetings of the Management Committee are currently not taken. It is therefore recommended that Consortium management work with members of its governance structures to establish a schedule of meetings and officially document decisions made at these meetings through signed and ratified meeting minutes.

2.2.2 Incremental progress

2.2.2.1 Roles and responsibilities of the Consortium's governance structure

The Consortium has updated its Membership Agreement and Consortium By-laws since the original E&E Review. Schedules B, C, and D of the Membership Agreement outline the roles and responsibilities of the Board of Directors, the Executive Committee, and the Consortium's CEO. The new documented roles and responsibilities are clearly distinguished between governance and day-to-day activities for the Board of Directors and CEO respectively.

2.2.2.2 Management Committee Documentation

Since the original E&E Review, the Consortium has taken steps to document the role and function of the Executive Committee. The Consortium has revised the Membership Agreement and Consortium By-laws to outline the following details of the Executive Committee:

- The membership of the Executive Committee consists of the President & Chair of the Board of Directors, the Secretary of the Board of Directors, and the Consortium's CEO;

- The role of the Executive Committee is to provide on-going executive-level supervision of the organization's operations;

- The Terms of Reference for the Executive Committee are established and maintained by the Board of Directors;

- The Executive Committee is to refer all issues to the Consortium's CEO for action; and

In addition, the Membership Agreement says that the Consortium's CEO is responsible for documenting Executive Committee meetings.

Please refer to Figure 2 below for the Consortium's organizational chart.

Figure 2: SCSTC Organization Chart
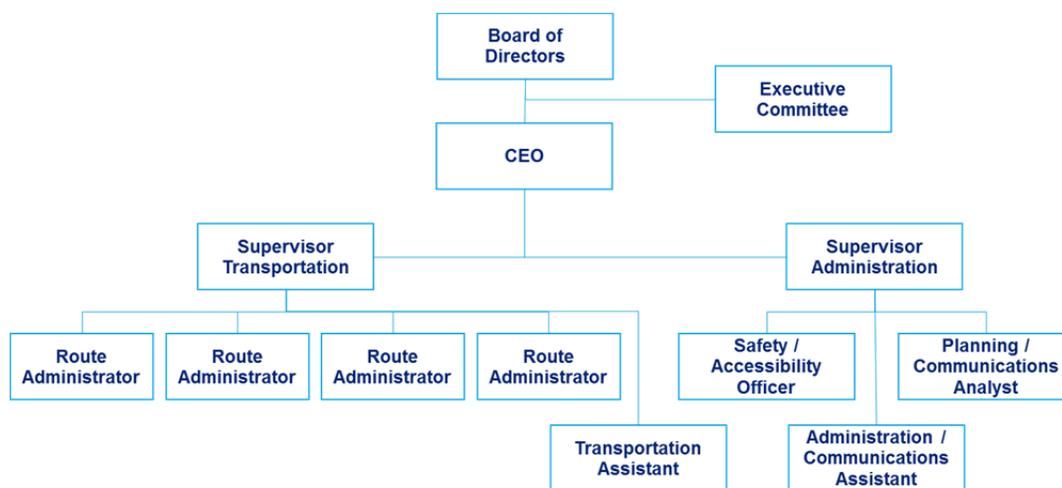
2.2.2.3 Efficiency of governance structure

The hiring of a CEO by the Board of Directors, along with the revision of both the Membership Agreement and Consortium By-laws, have ensured that the Board of Directors and Executive Committee are no longer involved in the day-to-day operations of the Consortium. The roles and responsibilities of the CEO, Board of Directors, and Executive Committee have been clearly documented.

2.2.2.4 Governance meetings documentation

The Board of Directors currently meets a minimum of once each quarter. In addition, special Board of Directors meetings take place as required. The revised Consortium By-laws outline the meeting locations, means of meetings, required notice of meetings, quorum requirements, meeting chair responsibilities, and voting procedures. In addition, minutes of the meetings are taken, ratified, signed, and retained.

2.3 Organizational structure

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

2.3.1 Original recommendations

Ensure the independence of Consortium operations from Member Boards

While the Consortium is incorporated as a separate legal entity and has all necessary incorporation documents in place, its governance and operations do not currently reflect those of an independent student transportation organization and are more akin to that of a joint transportation services department. As such, the Consortium is not realizing a number of the benefits of incorporation, including corporate continuity, planning, human resources and management benefits. It is therefore recommended that the Member Boards work together to better define the governance, management and operational framework for the Consortium. In particular, this review should include a thorough review of the decision making authority delegated by Member Boards to the Consortium's governance bodies and management, as well as a review of the Consortium's HR, planning and management practices.

Include additional clauses in the Membership Agreement

It is recommended that the Consortium modify its Membership Agreement to include:

- *A clause mandating the maintenance of adequate insurance. The Membership Agreement should require the Consortium to carry sufficient property and general liability insurance and should mandate a process for the regular review and assessment of insurance needs. This clause can be further supplemented with insurance related additions to the Consortium draft administration policies.*

- *A clause outlining a Member Board-level dispute resolution process. Such a clause will help to ensure that disputes between the Member Boards can be settled in a structured, mutually beneficial manner that protects the rights and interests of both Member Boards.*

Create relevant, consistent job descriptions for all positions within the Consortium

Job descriptions provided to the E&E Review Team were developed by each Member Board and neither reflected actual operational responsibilities, nor the Consortium's actual organizational structure. The job descriptions were also not consistent between the two Member Boards. It is therefore recommended that the Consortium modify its job descriptions to reflect actual operational responsibilities and to facilitate the effective delegation of responsibilities within the Consortium. These modified job descriptions will then allow staff to efficiently execute on their daily duties and will also help to ensure a smooth transition in the event of staff turnover.

Sign secondment agreements with the Member Boards

Consortium staff are currently employed by their respective Member Boards and have been seconded to the Consortium. However, there is currently no secondment agreement in place that documents this relationship. Pending decisions on a longer term human resources plan, it is recommended that the Consortium sign appropriate secondment agreements with its Member Boards in order to document this critical relationship and in order to provide additional clarity with respect to the terms on which Consortium staff are being seconded to the Consortium.

Sign confidentiality agreements with Consortium staff

The Consortium should ask its staff to sign confidentiality agreements in order to protect the confidentiality of information to which they have access. This is particularly important given that Consortium staff have access to student information.

2.3.2   Incremental progress

2.3.2.1 Independence of Consortium Operation

SCSTC was incorporated as a separate legal entity in 2002. However, at the time of the previous E&E Review, the Consortium did not have a CEO, and the Board of Directors, through the Executive Committee, were heavily involved in the day-to-day management activities. The Board of Directors have since appointed a CEO and clearly defined the roles and responsibilities of all parties in a revised Membership Agreement and Consortium By-laws. These documents clearly state that the CEO is responsible for the day-to-day operations of the Consortium.

2.3.2.2 Membership Agreement Amendments

SCSTC and the Member Boards signed a new Membership Agreement on March 21, 2013. CL. 7 of the agreement stipulates that the Consortium will maintain insurance coverage in its own name to provide sufficient liability and all perils coverage as well as any other liability that may be deemed necessary by the Executive Committee. Although the Consortium has provided a report that was presented to the board of directors that the Consortium's insurance requirements are assessed on a regular basis, the Membership Agreement does not currently mandate this process.

The revised Membership Agreement has also added CL. 10 which outlines the Dispute Resolution process.

2.3.2.3 Job descriptions

The Consortium has developed job descriptions for all roles within the organization. The job descriptions align with the current organizational structure. The descriptions outline the position duties and responsibilities; the education, experience, skills and abilities required for the position; and the confidentiality requirements of the position.

2.3.2.4 Employee secondment agreements

On September 1, 2011, all Member Board employees that were working with SCSTC became employees of the Consortium, negating the requirement for employee secondment agreements with the Member Boards.

2.3.2.5 Staff confidentiality agreements

As part of the Member Board to SCSTC transition that took place in the fall of 2011, SCSTC confidentiality agreements were signed by all of the Consortium's staff.

2.3.3   Accomplishments

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

2.3.3.1 Consortium Independence

The Consortium has clearly defined roles and responsibilities for the Board of Directors and the Executive Committee in the revised Membership Agreement and Consortium By-laws, which distinctly state that the CEO is responsible for the day-to-day operations of the Consortium. The Consortium's increased independence ensures stability, accountability, and continuity and safeguards the Member Boards against third party liabilities.

2.4   Consortium Management

Consortium Management focuses on the operational aspects of the organization. This includes ensuring accountability of staff, focusing on continual improvement through operational planning, and risk

management by having appropriate contracts and agreements in place to clearly define business relationships.

2.4.1 Original recommendations

Document and ratify the Consortium's cost sharing agreement

While a cost sharing methodology is outlined in the Consortium's draft administration policies, these policies have yet to be formally ratified by the Consortium's Board of Directors. In addition, while a cost sharing formula is referenced in the Consortium's membership agreement, no formula is currently outlined. It is therefore recommended that the Consortium either:

- *Develop and document an equitable methodology for the sharing of transportation, operational and administrative costs between the Member Boards and include this as part of the Membership Agreement; or*

- *Modify the cost sharing mechanism outlined in the draft administration policies to address administration charges to be levied on Member Boards. This policy should then be formally ratified by the Consortium's governance structures.*

Creating such a document will help to ensure accountability over costs; clarity and predictability during the budgeting process, and will also mitigate the risk of future disagreements arising between Member Boards due to misunderstandings or miscommunication. The Membership Agreement will need to be modified regardless of which of the above options is chosen.

Execute transportation service agreements with all client school boards

Membership Agreements are primarily agreements between Member Boards that establish the Consortium; they are over-arching agreements that specify the terms and structure of the Member Boards' joint venture. Distinct from the Membership Agreement is the transportation service agreement, which articulates the service relationship between the Member Boards and the Consortium as a separate legal entity. In order to make the above distinction clearer, it is recommended that the Consortium develop and execute a joint transportation service agreement with the Member Boards. The transportation service agreement 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. A similar contract should also be signed between the Consortium and the Trillium Lakelands District School Board.

Execute purchase of service agreements with all Member Boards

While the services to be provided to the Consortium by Member Boards are stated in the Membership Agreement, there are currently no contracts between the Consortium and its Member Boards providing additional details on the services that the Member Boards provide to the Consortium. Therefore, services are obtained by the Consortium without terms, conditions (including costs), and service levels normally associated with such arrangements. It is recommended that all of the services which the Consortium receives from its Member Boards be established via agreements or contracts where the mutual interests of the Consortium and each Member Board are documented and agreed upon.

Sign a contract with the audit consultant

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

Develop procurement policies for the Consortium

An effective procurement policy will identify the type of procurement method to be used for a given value, type and complexity of good or service being purchased. The Consortium should establish formal procurement policies or adopt the policies of one of its Member Boards once reviewed for appropriateness in transportation purchasing decisions, internal controls and work processes. Particular attention should be paid to the purchasing thresholds associated with the initiation of a competitive procurement process.

Formalizing these policies will ensure standardization in the procurement methods of the Consortium and will also act as an accountability mechanism by providing clarity 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.

Review the applicability and sufficiency of insurance coverage

Documents submitted to the E&E Review Team indicate that the Consortium carries property insurance but does not carry additional, separate insurance for general liabilities, crime or errors and omissions. While Member Boards are protected from potential liabilities by the insurance purchased at the Board level, this insurance may be neither applicable nor sufficient for student transportation services provided in conjunction with another School Board. It is therefore recommended that the Consortium investigate, with its insurance carrier, the applicability of, and need for, additional, separate insurance coverage for the Consortium.

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

It is recommended that the Consortium develop, document and implement a process for staff evaluation so as to ensure an alignment between staff performance and the Consortium's goals and objectives. Effective staff evaluation processes establish clear performance evaluation criteria for each position; they should be conducted regularly and should be fully documented. When implemented effectively, performance evaluations can be a powerful tool to guide and encourage employees to keep the goals and objectives of the overall Consortium in mind during day to day operations.

Stemming from the above, the Consortium should also 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. All training provided (including cross-training) should be documented and tracked over time.

Develop a succession planning document

It is recommended that the Consortium develop a formal succession plan to ensure the continued smooth operation of the Consortium should key personnel leave or be absent from the Consortium.

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

It is recommended that the Consortium develop a process through which it can define its long term and short term goals and priorities. The goals and the process used to develop these goals should be specific, clear, documented, and governance approved. Developing such as document will help to inspire a culture of continuous, proactive self-improvement within the Consortium.

Additional detail regarding how the Consortium's goals are to be achieved should be included in an operational plan that highlights the specific tasks required to be implemented, with associated timelines, and the delegation of responsibility for these tasks. The development of such a process and document will allow the Consortium to measure its performance against tangible steps and will also allow it to allocate resources effectively to meet Consortium objectives.

The process used to develop the Consortium's long term and short term objectives should also include a documented procedure to monitor and report on progress against the Consortium's strategic goals and objectives at regular intervals.

Develop a strategy for declining enrolment

School enrolment across rural Ontario has been in steady decline for nearly a decade. Given that the Consortium predominantly serves rural areas, and given the Ministry's recent notice that transportation funding is to be reduced in line with declining enrolment, it is recommended that the Consortium incorporate a strategy for the management of transportation costs into its long term planning process. In particular, this strategy should focus on: the financial impact declining enrolment is expected to have on the Consortium; and on appropriate mitigation strategies. Developing such a strategy will provide the Consortium with a framework that will help it address not only the issue of funding, it will also signal a proactive approach to dealing with issues before they arise – a key element of effective long-term Consortium management.

Modify and ratify the KPI monitoring draft administration policy

It is recommended that the Consortium modify and then formally adopt the draft administration policy regarding the use and monitoring of KPIs. The policy should be modified to identify:

- *Additional KPIs related to related to the Consortium's safety, internal and transportation performance. Examples of such KPIs could include:*
  - *Eligible Unassigned Student Lists;*
  - *Student Map Match Rates;*
  - *Calls per week; and*
  - *Average cost per student.*

  The list of KPIs to be monitored should be consistent and kept to a manageable number in order to facilitate regular tracking and long-term trend analysis;

- *The frequency with which the KPIs will be analyzed and reported; and*

- *Quantitative thresholds for changes in KPIs above which further action will be taken and reported to Consortium's governance structures.*

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 (such as student data and in-bus camera footage) 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 bodies and Member Boards to review and reflect on freedom of information and privacy legislation requirement 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.

2.4.2 Incremental progress

2.4.2.1 Cost sharing agreement

The new Membership Agreement dated March 21, 2013 includes CL. 4 – Allocation of Costs. Consortium costs are broken down into administrative costs and home to school transportation costs. The agreement outlines that the administrative costs will be split equally between the Member Boards, while the home-to-school transportation costs are allocated based on the percentage of costs for which a Board is responsible (based on percentage of allocated runs for the route, and percentage of allocated unweighted students for each run). Schedule 'A' of the Membership agreements provides a summary of the cost allocation formula.

2.4.2.2 Transportation service agreements with client school boards

Following the original E&E Review, SCSTC completed transportation service agreements with its two Member Boards (SCDSB and SMCDSB), in September of 2011. The agreements specify the scope of the services provided, fees, and quality of service, and also refers to the Membership Agreements for additional requirements.

On behalf of the SMCDSB, the SCSTC administers the payment for transportation services from the Trillium Lakelands District School Board (TLDSB) and Nipissing Parry Sound Student Transportation Services (NPSSTS) for students transported to SMCDSB schools in their respective areas (outside of Simcoe County). Although the service and payments to these boards is detailed in the Consortium's Administration Guide, the SMCDSB currently lacks any formal agreements with these third parties. SMCDSB agreements with TLDSB and NPSSTS have been drafted but not executed.

2.4.2.3 Purchase of service agreements

Since the original E&E Review was conducted, the Consortium has entered into service agreements with the Member Boards to provide certain required services. Currently, the Consortium has agreements with the SCDSB and the SMCDSB to provide information technology services and employee benefit services, respectively. In addition, the service agreements include allowances for the Member Boards to provide services to the Consortium for specific services on an "as-needed" basis, pending fee negotiation. This allowance has been exercised in the past, as the SCMDSB provided procurement advisory services to the Consortium during the development and execution of the RFPs.

2.4.2.4 Audit consultant

The route audit consultant that was engaged by the Consortium at the time of the original E&E Review is no longer required by the Consortium. The Consortium has restructured and appointed a Safety and Accessibility Officer to complete similar duties.

2.4.2.5 Development of procurement policies

The Consortium has developed a Procurement Policy (AAF301). The policy adheres to the procurement guidelines identified in the SCSTC By-laws, which have been approved by the Board of Directors.

The policy outlines that:

- For purchases up to $10,000: Three written quotes are required and must be documented, and require approval from one member of the Executive Committee.[2]

- For purchases greater than $10,000: Three written quotes are required and must be documented, and require approval from two members of the Executive Committee.

- For purchases greater than $100,000, and procurement for any consulting service irrespective of price: RFP process initiated through the purchasing department of one of the Member Boards.

2.4.2.6 Sufficiency of insurance coverage

As recommended in the original E&E Review, the Consortium, with its insurance carrier, the Ontario School Board Insurance Exchange (OSBIE), has investigated whether additional or separate insurance coverage was required. The Consortium confirmed that their coverage included liability, legal expense, property, boiler and machinery, and crime. These findings were presented to the Board of Directors in

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[2] The Executive Committee consists of the President and Chair of the Board of Directors, the Secretary of the Board of Directors, and the Consortium's CEO.

2010 and an annual review of coverage was provided as an update most recently at the March 21, 2013 Board of Directors meeting.

2.4.2.7 Staff performance evaluations

An employee performance evaluation system has been established by the Consortium since the original E&E Review. The Consortium's Administration Guide outlines the purpose, responsibilities, and timeline for the review process. The performance evaluation form is composed of the following sections: Performance appraisal categories (Skill level, Initiative, Organization and Planning, Communication, Quality of Work, Leadership, and Customer Service), previous year performance objectives, current year performance objectives, employer comments, employee comments and signatures.

In addition, the Administration Guide outlines the training requirements for new hires, along with how training objectives are to be included in the performance review process. The Consortium has developed a cross-training matrix to allow flexibility in managing core processes within SCSTC. The Consortium also has a process for tracking the training in which employees have participated.

2.4.2.8 Succession planning

The Consortium has developed a cross-training matrix to provide flexibility in managing core processes within the Consortium in the event of a temporary absence. However, a formal succession plan has not been developed. The Consortium is currently in the process of developing a five year strategic plan, which includes succession planning, and is scheduled to present the plan to the Board of Directors in October 2013.

2.4.2.9 Long and short term planning

The Consortium is currently in the process of developing a five year strategic plan and is scheduled to present the plan to the Board of Directors in October 2013. The Consortium presented an outline of the strategic plan at the Board of Directors meeting on March 21, 2013. The outline noted that the plan will include:

- A summary of key accomplishments and performance metric for the prior year;

- P&L projections for a minimum of five years;

- Completed changes and scheduled updates related to the four sections of the E&E Reviews;

- Objectives and strategies to address, fulfill or implement additional initiatives including, but not limited to:

  - Student safety, accessibility and information confidentiality

  - SCSTC customer self-service model

  - Future year declining enrolment projections and related funding deficits

  - Succession planning and changes to SCSTC staff roles & structures.

2.4.2.10 Declining enrolment

The above noted strategic plan will include objectives and strategies to address future year declining enrolment projections and related funding deficits. The Member Boards are currently completing their own analysis on the effect of declining enrolment and are expected to present findings to the SCSTC this spring. In addition, the Consortium's new routing software is able to provide very good cost forecasts to assist in this process. Based on five year enrolment and financial projections compiled by the Consortium, it was noted that the Executive Committee estimates that declining enrolment will not be a major issue for another two years.

2.4.2.11 KPI monitoring

The Consortium's Administration Guide includes a procedure to review, track, and benchmark a number of quantitative metrics on a monthly, quarterly, and annual basis, and provide reports to both Consortium

staff members and the Board of Directors. The following metrics have been identified for this process: total students transported, total # of vehicles, # of rotes with a single AM/PM run, # of mid-day routes, total daily kilometres travelled, average daily distance student transported (km/run), average vehicle utilization (weighted riders/run capacity). A year over year quantitative analysis for the past three years has been tracked and communicated to both staff and the Board of Directors.

2.4.2.12 Policy for treatment of confidential information

Included in the Membership Agreement are clauses related to the collection, use or disclosure of confidential student and member district school board information, requiring the Consortium to comply with all applicable legislation. In addition, the Consortium developed its own policies, AAOP400 and AAOP401 that govern the retention of the Consortium's records.

In terms of confidential information, such as student data and video footage, the Consortium follows the policies of the respective Member Board and supports school administration on requests for the use and review of video cameras on buses. However, the Consortium does not have its own policy that governs the collection, storage, use, access, distribution and/or destruction of information and data such as surveillance videos.

2.4.3   Accomplishments

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

2.4.3.1 Procurement policies

The Consortium has clear procurement policies in place that identify the procurement method to be used for a given value or type of good, and is in compliance with those policies. These policies ensure standardization in the procurement methods and ensure the Consortium is accountable by making the process clear and transparent.

2.4.3.2 Insurance

The Consortium reviewed and confirmed that their coverage includes liability, legal expense, property, boiler and machinery, and crime. Insurance coverage is essential to ensure the Consortium and school Boards are each suitably protected from potential liabilities.

2.4.3.3 Staff Performance Evaluation Program

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

2.4.3.4 Key Performance Indicators

The Consortium has fully documented a key performance measurement procedure which reviews, tracks, and benchmarks key performance metrics, and outlines the procedure for communicating the results with stakeholders. By monitoring and tracking relevant KPIs the Consortium has the ability to identify areas of its operations that need attention or improvement. A performance evaluation program that is documented and actively used ensures that employees keep the Consortium's objectives in mind during their day-to-day work.

2.4.4 Recommendations

2.4.4.1 Strategic Plan

It is recommended that the Consortium continue to develop its strategic plan and follow through with presenting the document to the Board of Directors in October 2013. Developing such a document will help to inspire a culture of continuous, proactive self-improvement within the Consortium, allow it to measure its performance against tangible metrics, and effectively allocate resources to meet objectives.

2.5 Financial Management

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

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

2.5.1 Original recommendations

Modify the annual budgeting and monitoring processes

It is recommended that the following modifications be made the Consortium's budgeting process:

- *In line with the implementation of recommendation 3.4.3.3 regarding the execution of purchase of service agreements, it is recommended that the Consortium modify the budgeting process to include the projection of administration costs for services provided by Member Boards.*

- *The budgeting process for the Consortium should be documented and formally approved by the Consortium's governance structures. This process should also mandate the regular, documented review of budget-to-actual variances by the General Manager and the regular presentation of this analysis to the Consortium's governance structures.*

Modify the operator payment process

Currently, the Consortium develops statements for bus operator payments that are then sent to the SMCDSB for payment. The Consortium does not receive invoices from bus operators. It is recommended that this process be modified to ensure that bus operators are submitting invoices to the Consortium for verification prior to them being sent to the Member Boards for payment.

Document the Consortium's financial management policies and practices

It is recommended that the accounting policies and procedures currently being used by the Consortium be formalized and documented. The documentation of these procedures is critical as it will help to ensure that appropriate checks are in place and that the financial stability of the Consortium will not be impacted due to employee turnover.

2.5.2 Incremental progress

2.5.2.1 Annual budgeting and monitoring processes

Since the original E&E Review was completed, the following revisions have been made to the annual budgeting and monitoring processes:

- The budgeting process includes the projected administration costs for services provided by the Member Boards (IT, benefits, and project specific costs).

- A SCSTC budget process and schedule has been developed as part of the Consortium's Administration Guide.

The budget process includes an annual budget development schedule that is approved by the SCSTC Board of Directors. In addition, monthly and quarterly financial updates are presented to the Executive Committee and the Board of Directors, respectively. Financial updates provide year to date budget to actual comparisons as well as updated annualized budget to actual forecasts.

2.5.2.2 Operator payment process

When the Consortium took over its own accounting in September 2011, the operator payment process was revised and documented in the Consortium's Administration Guide. The process is now composed of the following steps, and occurs on a monthly basis:

- Operators submit invoice and invoice worksheets as backup to the Consortium.

- The invoice and worksheet is reviewed and verified by SCSTC's Administrative & Communication Assistant, followed by SCSTC's Administrative Supervisor.

- If required, invoice is reconciled for any discrepancies through written communication with operators.

- Once review and verification is complete, the Administration Supervisor will create invoice summary sheet.

- Operator invoice, invoice worksheet, and summary sheet are then reviewed and approved by CEO for payment.

2.5.2.3 Documentation of financial management policies and practices

Since the original E&E Review, the Consortium has developed an Administration Guide, which outlines all of the accounting and financial policies and practices that are currently implemented by the Consortium.

2.6   Results of E&E Review

This Consortium has been assessed as **Moderate - High.** The Consortium has strong governance, risk management, HR and financial management practices, and is taking steps to developing a planning program. The Consortium has made significant improvements and is currently implementing several best practices in the area of Consortium Management.

3   Policies and Practices

3.1   Introduction

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

- General Transportation Policies & Practices;

- Special Needs Policy Development; and

- Safety and Training Programs.

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

Policies & Practices – Original E&E Rating	Moderate
Policies & Practices – New E&E Rating	High

3.2   Transportation Policies & Practices

The development of clear, concise, and enforceable policies, practices, and procedures are essential elements of an effective and efficient transportation system. Well-defined and enforced policies establish the level of services that are to be provided while practices and procedures determine *how* services will be delivered within the constraints of each policy. The harmonization of polices and consistent application of all policies, procedures, and practices ensures that service will be delivered safely and equitably to each of the Member Boards.

This section evaluated the established policies and practices and their impact on the effective and efficient operation of the Consortium.

3.2.1   Original recommendations

Approve and finalize both the Operations and Administrative manuals

It is evident that a great deal of effort and staff time has been dedicated to the development of the Operation and Administrative manuals. When completed and fully approved, these two manuals will provide the necessary direction for both daily operational and annual planning decisions. Equally important, the full approval of these documents will help to further establish the Consortium has the operational authority (under the auspices of the Member Boards) to determine how transportation will be provided.

Review and approve the criteria for hazard transportation and post within Edulog

While interviews with staff indicate a consistent understanding of what constitutes hazardous conditions, the Consortium has recognized the need to have an approved policy and has submitted a draft policy for consideration. Subsequent to the approval of the policy, it is recommended that comprehensive boundaries should be posted in Edulog to ensure that eligible students (based on hazardous criteria) are provided with transportation and that the data is accurate and readily available for analysis and reporting.

Review the process for the approval and run assignment for courtesy students

The current "external" process for the approval of courtesy transportation should become a Consortium responsibility to ensure consistency in the approval process and accurate rider lists in the event of an accident or incident.

Document and formalize the appeal process to ensure consistency and equity

The appeal process should be formally adopted and documented, and should ensure that appeals are heard and decisions made within the Consortium's operational and governance structures. This will ensure that all appeals are handled in a fair, equitable and consistent manner regardless of a student's school or Board of attendance.

Establish responsibilities and timelines for planning

While the Consortium has established a planning calendar that documents the critical planning tasks, further refinement is necessary to understand the level of effort required and critical task dependencies to fully derive the benefits of a planning schedule. These enhancements will help to ensure that each of the critical tasks has the necessary staff support and time allotted to support successful planning and task completion.

3.2.2   Incremental progress

3.2.2.1 Approval and finalization of both the Operations and Administrative manuals

Interviews with Consortium management and planning staff and the review of the documents indicate that the policies and procedures contained within the Operations and Administrative manuals are complete and have been approved by each of the Member Boards. These manuals serve as the single source of guidance for both daily operational decisions and annual planning processes. While each of the Boards maintains separate policy statements, the documents serve to establish SCSTC as the entity for the provision of transportation services. Several excellent practices have been established to ensure that the documents remain current and relevant, and that staff use is consistent including:

- The establishment of procedures for the review and updating of policies and procedures as needed and annually;

- Each staff member is required to have copies of the manuals for quick reference at each of their work stations, and

- That *all staff* are responsible for ensuring that the document is current.

The approval of the manuals and the process to ensure its continual updating meets the expectation of the original recommendation.

3.2.2.2 Review and approve the criteria for hazard transportation and post within Edulog

Policy TE02 has been approved which establishes the conditions under which transportation may be provided due to the presence of a hazardous condition. The policy is clear that the presence of any single factor may not warrant hazard based transportation but will be evaluated in combination with other observed conditions. These conditions include:

- Volume of traffic;

- Posted speed limits;

- Number of travel lanes;

- Line of sight distances;

- Intersection configuration;

- Physical barriers;

- Road grade or curvature of roadway limiting line of sight distances;

- Land use; and

- The lack of sidewalks in conjunction with other factors.

With the Consortium's adoption of *BusPlanner* route planning software, hazard boundaries have been posted in the software which are coded by color and travel code. The coding structure illustrated in Table 2 helps to ensure consistency across the service area and the ready identification of hazard areas to support analysis and reporting. Additionally, a process has been established for the review of "historical" hazard areas and as new areas are considered. This includes the onsite investigation by either Consortium staff or the Operators using a Consortium provided form to ensure consistency across the service area. The regular review of hazard areas and especially those with a historic designation is an important consideration to ensure that the conditions under which students are provided with any exception based transportation are current and valid. As an example, 786 out of the approximately 34,500 students or a little over two percent of all students are transported under a *Historic* designation. While the rationale for providing hazard based transportation for this group of students may be valid, the regular review is necessary to ensure that this additional service does not place undue cost or service impacts on the system. These enhancements meet the expectations of the original recommendation.

Table 2: Hazard Based Travel Codes

Boundary Name	*BusPlanner* Colour	Rationale	*BusPlanner* Travel Code	Number of students transported
Safety hazard	Blue	Road speeds, road conditions, no sidewalks, etc.	B_HA	1,810
Historic Walk	Red	Beyond Board policy but designated as a walk zone	W_ Historical	4
Board approved	Purple	Requires documentation	B_GRF or B_BD	75
Historic bused	Green	Bused within the walk distance but no approval documents are available	B_ Historical	782
Total:				*2,671*

3.2.2.3 Review the process for the approval and run assignment of courtesy students

Courtesy applications are forwarded to SCSTC at the end of September. Interviews with staff indicate that the annual planning process is completed first without consideration for either the previous year's courtesy riders or the current number of requests. Courtesy transportation is only allowed on special needs buses and shuttles. As the approval is school site-based, the operators and drivers are responsible for notifying SCSTC that a student has been approved and is receiving transportation. The schools are responsible for entering the student's data into their student information systems which is then imported into *BusPlanner* during the bi-weekly upload process. While interviews with staff indicate that the process satisfies the informational needs of the operation, the delay of up to two weeks in the uploading of student data results in a redundancy of effort with both the local school and Consortium staff entering newly approved courtesy students into their separate databases. While this is currently the situation, the planned implementation of *BusPlanner Forms* will further enhance the process, eliminating the redundant effort and ensuring the timely reporting of students' approved for courtesy transportation.

3.2.2.4 Document and formalize the appeal process to ensure consistency and equity

A detailed and documented appeal procedure has been developed that fully describes the process, timeline, and requirements for each of the stakeholders. The procedure first reviews how stops or bus routes are established under approved policies and guidelines. If a concern remains, the issue must be reduced to writing and submitted to SCSTC for review by the appropriate Route Administrator. Once the appeal is received the Route Administrator will address the concerns under applicable policies and procedures with a written response required within five business days. In the event that the request cannot be addressed at the Route Administrator's level, it will be forwarded to the Transportation Supervisor and the CEO and, if necessary, the appropriate representative on the SCSTC's Board of Directors. The issue may ultimately be addressed through the respective Member Board's protocol if necessary.

Interviews with staff indicate a "satisfaction" with how the process works and a general feeling that their decisions receive support from the Member Board(s) or that in the event that a decision is overturned, that reasons for the reversal are understood. Complaints or concerns are currently being tracked using an Excel based complaint log. Examples included driver or service related issues and bus speed concerns. Future initiatives include the use of *BusPlanner* Forms which will reduce the time required to manually enter and track the data. This process meets the expectation of the original recommendation ensuring that responses are not only timely but that outcomes are policy based resulting in fair and equitable decisions across the service area.

3.2.2.5 Establish responsibilities and timelines for planning

A detailed month-by-month planning and task list has been developed. Additionally, task-specific processes have been documented that describe the staff that are responsible and the corresponding work procedures. During the regular weekly/bi-weekly staff meetings, date-specific tasks are reviewed, resulting in assignments and timelines being established and confirmed. Interviews clearly indicated that the review of the planning document has become "habit" and institutionalized. This process fully meets the expectation of the original recommendation.

3.2.3   Accomplishments

3.2.3.1 The completion and adoption of the Administrative and Operational Manuals

Each of the manuals have been completed and are highly comprehensive, providing SCSTC staff and stakeholders with a single point of reference for the management and provision of transportation services. The process for the monitoring and updating of the document is exceptional and ensures that each of the policies and procedures remains current as service parameters or changes occur and is also a best practice.

3.2.4   Opportunities for improvement

3.2.4.1 Student data management

While SCSTC has implemented processes to support the accuracy of student data, the process continues to rely on the separate entry of new or changed student information by the schools and Consortium staff between the bi-weekly downloads. As future enhancements, including the implementation of *BusPlanner Forms* and each of the Member Boards' expected adoption of *PowerSchool* student information system are implemented, the automation of data integration should be considered to ensure the ongoing accuracy of data and to reduce manual processes.

3.3   Special Needs Transportation

Special needs transportation must consider a student's individual emotional and physical needs which may require special equipment such as lifts or restraints. Additional factors that must be considered include each student's time and distance constraints, medical conditions, and medication administration. The establishment of specific policies and procedures for the transportation of special needs students helps to ensure that safe, effective, and efficient transportation is provided to satisfy each of the student's individual needs.

3.3.1   Original recommendations

Develop comprehensive policies specific to the transportation of special needs students

As the Consortium continues to review and document its operational and administrative procedures, it is recommended that particular attention be expended on developing the policies and training needs specific to the transportation of special needs students. At a minimum, policies should describe desired service parameters such as maximum rides times, vehicle type, and the responsibilities of each of the stakeholders i.e. parents, operators, drivers, school, special education staff, and the Consortium.

Examples of responsibilities to consider include:

- *Who secures the student at home and at school for the return trip?*
- *How long will a driver wait at a stop for a student?*
- *What students must be met at a stop?*
- *How are disciplinary issues resolved and at what level?*
- *Training requirements should be documented to include student management techniques, special equipment use, emotional and medical awareness training, medicine administration, and bus evacuation procedures.*

Inclusion of SCSTC in the determination locations for special needs programs

While it is understood that the educational and program needs of the students must be considered first, it is recommended that Consortium staff be included in discussions on the placement of special needs programs and that the service and financial impacts to the overall routing network be considered along with the educational needs of the students.

3.3.2 Incremental progress

3.3.2.1 The development of comprehensive policies specific to the transportation of special needs students

Within the Operational Guide, a specific section has been included to provide planning guidance for students with special needs. Developed and approved policies or parameters include:

- The integration of special needs students on regular education buses when it can be safely provided;

- The establishment of age, weight, height of student requirements for the use of booster and car seats as determined by the Highway Traffic Act;

- Driver training on transporting young students and the use of booster, car seat, seat belt covers, or safety vests;

- Establishing that parents and school staff are responsible for ensuring that students are correctly buckled; and

- Providing service to students aided by service dogs.

Interviews indicate that in general the service parameters are the same for special needs and regular education students unless other direction is provided and documented by a designated Board representative or as directed by a student's IEP. As an example, while arrival and departure windows are generally the same for all students, specific arrival and departure times will be adjusted based on an individual student's educational plan and specific needs. The process for requesting service or a new stop is clearly defined and supported by readily available forms.

All drivers have received training as required under the AODA with training specific to students' unique special needs currently being provided, as necessary, to drivers on a case-by-case basis.

3.3.2.2 Inclusion of SCSTC in the determination locations for special needs programs

Discussions indicate that program location is generally stable and that while there is not a formalized process for the inclusion of SCSTC in program location decisions; SCSTC staff do participate in the analysis of cost and service impacts based on proposed program locations. Discussions also indicate that a high level of communication and cooperation has been established between SCSTC and the Principals for Special Needs for each of the Member Boards. These enhancements meet the expectations of the original recommendation.

3.3.3 Accomplishments

3.3.3.1 The establishment of policies and procedures specific to students with special needs

The development of specific policies and procedures for the transportation of students with special needs helps to ensure that services are provided both safely and as efficiently as is possible. This enhancement meets with the expectation of the E&E process and is an identified best practice.

3.3.3.2 Proactive culture of SCSTC

While a review of activities to ensure compliance with the AODA was not a central part of this follow-up E&E Review, it is an indication of the culture of continuous improvement that the Consortium has fostered. To meet the intent of the E&E recommendation on the documentation of policies and procedures for special needs students and to prepare for compliance to the AODA, the Consortium's response combined and coordinated the efforts to ensure that both requirements were met. This is a prime example of a planning and implementation process that is effective, efficient, and forward-looking. This is in-keeping with the intent of the E&E process and is a best practice.

3.4   Safety policy

The safe transportation of students is the paramount goal of any transportation operation. 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.

3.4.1   Original recommendations

Expand student bus safety programs to include upper elementary, older students, and the community

While the First Rider program is contractually required to be provided to elementary students, no other safety programs are currently targeted for upper elementary or older students. It is recommended that Consortium sponsored safety and training programs be developed or provided to older students as a reinforcement and reminder of their responsibility and role in safety of transportation being provided. An example of training that benefits all students regardless of age are safe bus loading/unloading procedures and emergency and bus evacuation drills. Community awareness programs help to remind parents and other drivers of their role in helping to promote safety by observing traffic regulations and driving behaviors in and around bus stops and school zones.

Implement additional driver training programs

In addition to the driver training recommendations in the Special Needs section, it is recommend that the Consortium establish expectations for driver training that include, but are not limited to, driving skills improvement training, student management training, and training specific to special needs students.

Develop policies on the use of cameras

While the use of cameras is currently limited and not mandated or supported by the Consortium, the development of a camera use policy is recommended to ensure that the use of cameras meets the privacy and use standards of the Member Boards. At a minimum, procedures should be established that describes who can view the video data, and retention and deletion timelines.

3.4.2   Incremental progress

3.4.2.1 Expand student bus safety programs to include upper elementary, older students, and the community

In August 2012, a standardized First Rider program was offered at six locations with a reported attendance of 119 students and 199 family members. To ensure that the program was effective, participates were asked to evaluate the program and to provide suggestions for changes in how it could be more beneficial to participants. Based on the results of this feedback, changes in how and when the program will be presented for the 2013/14 school year include:

- Earlier notification (by the end of December) to ensure that the information is available for kindergarten registration and spring kindergarten meetings;

- The scheduling of the program to include both weekend and evening hours; and

- The posting of the supporting video on the SCSTC website starting in August of 2013.

In addition to the First Rider program, SCSTC is also responsible for the planning and coordination School Bus Evacuation Training for over 26,000 JK to Grade 12 students during the October 2012 School Bus Safety Week.

To further support the Consortium's safety initiatives for students and the communities that are served, SCSTC has created a Safety/Accessibility Officer's position to proactively address the safety and accessibility needs of students being served by the Consortium. Initiatives include:

- Collaboration with Safety Officers from peer consortiums (i.e.: Toronto and Tri-Board) to learn best practices and share ideas;

- Membership on the AODA committees for each of the Member Boards;

- Involvement with local townships and municipalities;

- Greater involvement and communication of safety and accessibility initiatives with schools and the operators;

- The addition of Safety Tab on the Consortium's website;

- An effort to " Brand" the safety initiatives of the Consortium to increase school and community awareness; and

- Involvement with local media enlisting their resources to promote community awareness including notification to local media including radio, TV and print.

3.4.2.2 Implement additional driver training programs

Per the contract, the operators are responsible for the provision of training for both new and senior drivers under the directives set by SCSTC. The Consortium is responsible for the enforcement of the contractual requirements through its operator auditing practices. In response to the original recommendation, training is provided for the following areas:

- Defensive driving techniques including the procedures for accident reporting;

- Student management including diversity training and sensitivity training for students with special needs; and

- Management of student conduct and reporting procedures.

Additionally the operator is required to provide a minimum six hours of safety training in cardiopulmonary resuscitation (CPR) and standard first aid.

3.4.2.3 Develop policies on the use of cameras

Currently the use of the cameras is at the request of the Member Board or School Principal and is managed by the Operators. A *Video Surveillance Equipment on School Buses* procedure has been developed which states that: "The SCSTC follows the policies and procedures of its member district school boards regarding video surveillance equipment on school buses". In the event that the review of the video indicates that corrective action is necessary for either a student(s) or the driver, SCSTC works directly with the school or the operator and supports enforcement of either Board polices or contractual requirements.

3.4.3 Accomplishments

3.4.3.1 The establishment of the Safety/Accessibility Officer's position

The establishment of a position dedicated to the identification and presentation of safety programs and initiatives is an excellent practice that supports the ultimate goal of providing safe student transportation and is an identified best practice established by the E&E process.

3.4.4 Opportunities for improvement

3.4.4.1 Student and driver training

While the Consortium's practices have clearly established the contractual training requirements for drivers and the students they serve, a more active role by the Consortium will further serve to enhance the otherwise excellent process. The creation of the Safety/Accessibility Officer's position provides the Consortium with an excellent resource to help further establish and *brand* the Consortium's role as the leader in initiatives for the safe transportation of students throughout the community. This should include (as recommended in the original E&E Review) targeted programs for upper elementary or older students, safe bus loading/unloading procedures, and that emergency and bus evacuation drills include all students who may be provided transportation even on an occasional basis such as activity trips and transportation to sporting events.

3.4.4.2 Enhancements to the video use policy

The current SCSTC video policy in effect defers the responsibility for the use of video cameras to operators and the Member Boards. While the Member Boards' individual policies may provide adequate guidelines on who has access to the data and retention and deletion timelines, the current Consortium policy should be enhanced to clearly establish the Consortium's role in how the data will be viewed and, as important, how the data will be used in the management of operators and their drivers.

3.5 Results of the Follow-up E&E Review

Policies and Practices for the Simcoe County Student Transportation Consortium has been rated as **High.** The recommendations from the original review have been substantially implemented. Although room for improvement continues to exist, the positive trend in performance and the desire to continue implementing these improvements is obvious**.** The finalization and approval of the Administrative and Operations manuals, including the enhancement of the hazard area and courtesy exception policies, ensures that services are equitably provided to all students regardless of their school of attendance and is the best evidence of this trend. In contrast, while the Consortium has implemented processes to mitigate the time lag between when new or changed student information is entered into the student information system and downloaded into *BusPlanner,* the concern remains that, as with any manual process, redundancies and a greater potential for error and omissions continues to exist. The already planned implementation of the *PowerSchool* student information system and its ability to fully integrate with *BusPlanner* will, however, clearly mitigate this concern. The establishment of the Safety/Accessibility Officer's position is further evidence of the value that the Consortium and its Member Boards places on continuous improvement plus safe and accessible transportation. As the position continues to evolve, the emphasis on providing training for all students and a more direct role with operators will help to further define the Consortium's role as the leader of safe transportation throughout the communities it serves.

4 Routing and Technology

4.1 Introduction

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

- Software and Technology Setup and Use;

- Digital Map and Student Database Management;

- System Reporting; and

- Regular and Special Needs Transportation Planning and Routing.

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

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

4.2 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; it 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 allows for more effective use of staff time and supports timely communication, 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 include an examination of the desired expectations and outputs of the system to support comprehensive analysis and reporting. This section of the evaluation assesses the acquisition, setup, installation, and management of transportation related software.

4.2.3   Original recommendations

Establish a formal staff training program

While the Consortium has established an excellent practice of documenting its procedures and has recently begun to offer additional training opportunities, the development of a formalized training program is recommended. A formalized training program will help to ensure that each staff member receives a level of training that meets both their current level of expertise, and progressive training as their skills and responsibilities increase.

Establish a separate and distinct Consortium web site

The creation of a separate Consortium web site is recommended not only for its value in providing parents, school communities, drivers, and operators with readily available and current transportation information, but it will also reinforce the role of the Consortium as the independent provider of transportation to each of its Member Boards. The site should focus on delivering high value information using a unified theme and approach targeted to all interested stakeholders including parents, students, operators, Member Board staff, and Consortium staff.

4.2.4   Incremental progress

4.2.4.1 Establish a formal staff training program

Training requirements for both new and senior staff have been established within the Administrative Guide. The procedure includes an orientation process for new hires on basic work rules and the values and objectives of SCSTC. Also reviewed are the policies and procedures contained within both the Administrative and Operations Guides. For new employees, a two day training session is scheduled to include *BusPlanner* basics such as editing routes and runs, adding students, etc. As abilities with *BusPlanner* increases further training is provided as identified by an employee's direct supervisor. Interviews with staff indicates satisfaction with the initial training processes, the ongoing mentoring from peers, support from managers and the support for additional training as recognized by the SCSTC.

For existing staff, professional development opportunities are identified during the annual review process and as programs are available through each of the Member Boards. This includes both targeted programs for individuals and also for staff as a whole. Additionally, a formalized cross training program has been established to ensure a common level of skills supporting the flexibility in work assignments and the continuance of service in the event of an absence or as a change in staff occurs through termination or attrition. These enhancements meet the expectation of the original recommendation and the E&E process.

4.2.4.2 Establish a separate and distinct Consortium web site

SCSTC has established a separate Consortium website which provides real-time information on bus cancellations with links to check school attendance boundaries and eligibility, FAQs, and policy and safety information. Each of the Member Board's individual website sites provides a direct link to the SCSTC website. This is evidence of the trust placed in the Consortium and further establishes SCSTC as the point of contact for transportation services. The establishment of a SCSTC website fully meets the expectation of the recommendation and the E&E process.

While not implemented at the time of this review, planned future enhancements include the posting of delays; E-mail and Twitter alerts; the posting and process for the submittal of forms planned for fall 2013; and the creation of a parent portal planned for early 2014. These planned enhancements provide further evidence of the Consortium's commitment to continuous improvement and are in keeping with the expectations of the E&E process.

4.3   Regular and Special Needs Transportation Planning and Routing

Effective and efficient route planning is the key element of any high performing transportation operation. This portion of the review discusses the recommendation from the original E&E Review and the resulting incremental progress. Also discussed are current findings regarding the overall effectiveness of the system.

4.3.1   Original recommendations

Evaluate the current transportation approval process

Internally, the process for the approval and assignment of a student to a stop and run varies depending on the Transportation Officer responsible for that particular area. To support consistency and to determine the most effective use of each staff member, it is recommended that this process be evaluated to determine the best use of staff time and the functions most appropriate to each job classification. It is also recommended that run assignments at a school level be evaluated to ensure that the Consortium's rider lists are current and automatically updated.

Conduct an analysis of integrated runs, routes, and bell times

While offering high levels of service, the limited integration within the current system may be constraining additional opportunities for efficiency. An analysis should be conducted that evaluates the bell time change requirements, impact on seating capacity use, asset use, the number of buses required, and the impact on ride times of greater integration across the system. The purpose of this analysis should be to determine whether greater integration would have a positive impact on efficiency while minimizing the overall impact on system effectiveness. Given the size of the service area, SCSTC should select a limited pilot area to conduct the analysis in order to mitigate the impact that the project would have on the availability and effectiveness of Transportation Officers.

4.3.2   Incremental progress

4.3.2.1 Evaluate the current transportation approval process

The schools serve as the point of entry for the registration of a student for transportation. Once it has been determined that a student is eligible, the schools are able to assign a student to an existing stop and run based on the information available from *BusPlanner*. Once a student is assigned (at the school level) the secretary is required to enter the information into *ESIS* and also to forward the assignment to SCSTC by either fax or email. SCSTC Routing Administrators (RAs) enter the information into *BusPlanner* for operator use and to ensure accurate rider lists. The student information and *BusPlanner* databases are reconciled during the bi-weekly download.

Within the Operational Guide, processes have been developed for the assignment of a student to a stop, the creation of a bus stop, the process for the requesting of a new stop, stop evaluation, and auto assignment to a stop. Interviews indicate that while there are multiple methods within *BusPlanner* to enter student data, the overall process is consistent across the system. While this process meets the basic expectation of the original recommendation, future enhancements supporting the daily exchange of data between the student information system and *BusPlanner* is necessary to reduce redundancies, the potential delay in the entering of data, and resulting inaccurate rider lists.

#### 4.3.2.2 Conduct an analysis of integrated runs, routes, and bell times

The RAs are responsible for the identification of efficiencies as a component of the route analyses that occur in October and November and during the overall annual planning process. The RAs have full authority (without Board approval) to reduce the number of buses in the event that rider counts have declined. As opportunities are identified through a realignment of bell times, they are presented to the Transportation Supervisor and the CEO for concurrence and approval. The Transportation Supervisor is responsible for the preparation of a report for each of the Member Boards including the expected cost savings. A decision deadline has been established as March 31st for secondary schools and April 30th for elementary buildings. The procedure is clearly defined as a process within the Operational Guide. Interviews indicate that the procedure is successful and has resulted in anticipated savings of approximately $700,000 for the 2013/14 school year.

4.3.2.3 Analysis of system effectiveness[3]

For the original E&E Review, a comprehensive analysis of system effectiveness was undertaken to fully understand how well the system was performing and to identify where there may have been opportunities for improvement. As noted in the original analysis, start times (based on run data net of special needs runs) were very distributed, ranging from 8:00 to 9:20 AM. The key finding was that approximately 437 runs were for schools that had start times between an 8:31 AM and 9:00 AM start time. This represented approximately 43 percent of the runs for SCDSB and 78 percent of the runs for SMCDSB. Given the high proportion of bus runs during this time frame, it was indicated that a realignment of bell times would allow for increased opportunities in the paring of runs and the reduction on the number of buses. An analysis of current data finds that a total of 413 runs are currently in service during this same time frame, representing a reduction in 24 buses. This timeframe includes 34 percent of the runs for SCDSB and 72 percent for SMCDSB and is a considerable improvement overall in the maximum number of buses required. That being noted, given the number of schools that remain with start times between 8:31 and 9:00 AM, additional opportunities for efficiencies may be possible by the continued re-alignment of bell time and the resulting improved utilization of the fleet.

The distribution of runs by time tier is illustrated in the following figure:

Figure 3: Distribution of Runs
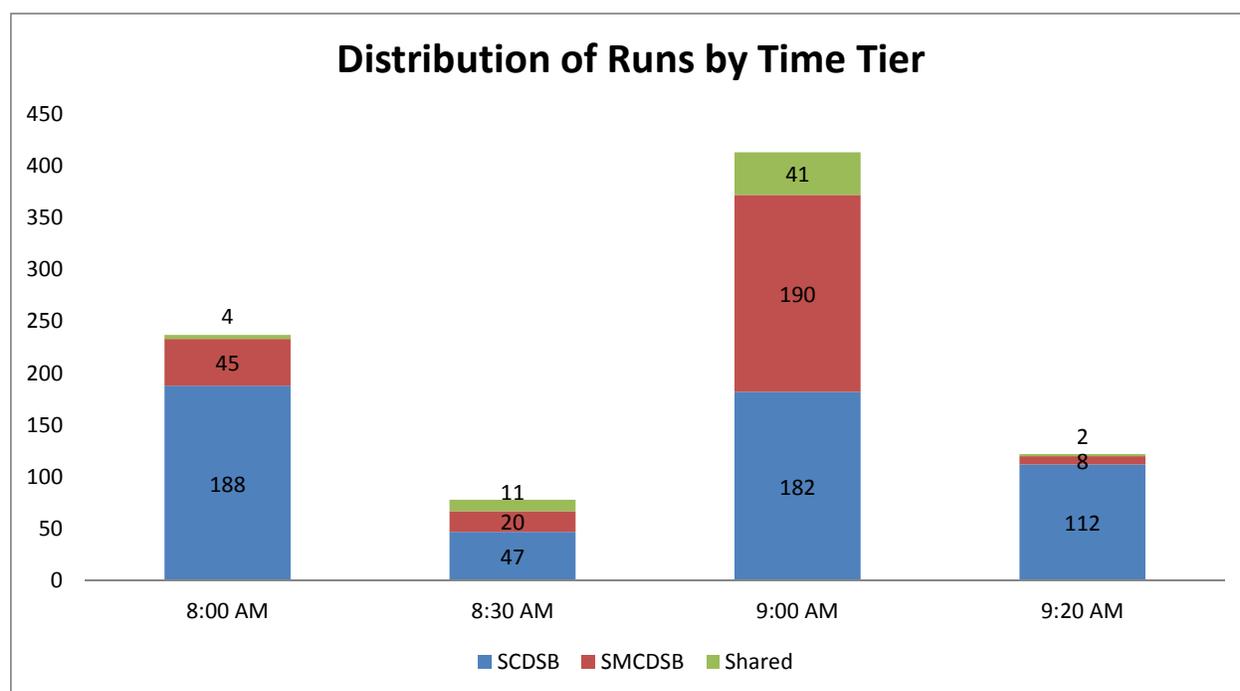
4.3.2.4 Student ride times

A key indicator of the overall level of service provided by any transportation operation is the amount of time that any one student spends on the bus. The analysis of both run and individual rides times indicates that service is being provided within the policy of 60 minutes for elementary and 75 minutes for secondary students. Across the system, individual student ride times average 22 minutes for both the morning and afternoon panels for both regular and special needs students. Ride times are illustrated in the following chart. These findings remain consistent with the findings from the original E&E Review and confirm that a high level of service is being provided and delivered equitably between each of the Member Boards.

Figure 4: Student Ride Times

Student Ride Times by Board
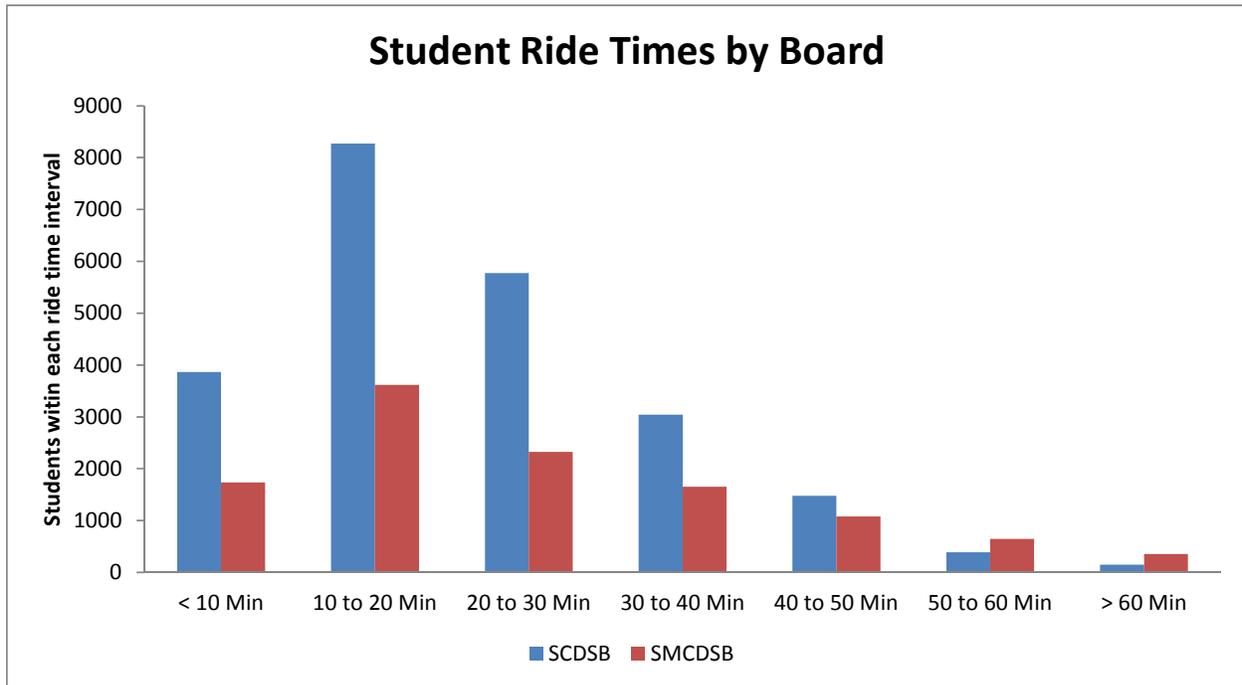
4.3.2.5 Capacity and asset utilization

How effectively the system is able to use the available capacity, both from the perspective of seating capacity on individual bus runs and asset utilization over the course of each service day, are additional indicators of the overall efficiency of the system. As noted in the original E&E Review, capacity utilization was approximately 60 percent across the system for regular education transportation. The analysis of current data finds that simple capacity utilization (calculated as total riders divided by total available seats based on rated capacity of the bus) is approximately 61 percent across the entire regular education fleet, similar to the results of the original E&E Review and within an acceptable range.

Asset utilization considers how many times each individual vehicle is able to be used throughout the course of the day. While time and distance constraints and factors such as population density, traffic volume, and road networks cannot be controlled, the ability to adjust and shift bell times allows for a more effective use of the fleet by increasing the number of runs each vehicle is able to perform. The analysis of data finds that on average, each vehicle is able to perform 3.5 runs per day with almost 65 percent of the vehicles able to perform 2 or more runs. These are also very similar to results observed during the original E&E Review.

4.3.3   Accomplishments

4.3.3.1 The analysis of routing efficiencies

As noted in Section 4.3.2.2, each of the RAs are responsible for the identification of efficiencies within their own area of responsibility and as a component of the route analyses that occur in October and November and as part of the annual planning process. The policy grants the authority for the reduction in the number of buses to the Consortium without Board(s) approval when rider counts have declined to the point that runs can be combined and buses eliminated. This is a best practice and is also indicative of the trust that is placed in the Consortium and its staff.

4.3.4   Opportunities for improvement

4.3.4.1 *Continue to evaluate additional tiering opportunities across the system*

Capitalizing on its excellent planning practices and the trust placed in the Consortium, a comprehensive and systematic approach to the analysis of opportunities should be considered to better understand the true system-wide potential for additional improvements in fleet utilization. This most likely will require a comprehensive bell time study across the system and the development of incremental plan for implementation.

4.4   Results of the follow-up E&E Review

Routing and Technology for SCSTC has been rated as **High.** It is evident that the Consortium and its Member Boards have been committed to meeting the recommendations presented in the original E&E. In addition, the changes and enhancements to internal planning processes will ensure that the identification of future efficiencies and fleet reduction opportunities will remain a primary goal of the Consortium. These are excellent and have yielded considerable results while still providing a high level of service to the Boards. Regardless of these achievements, the Consortium and its Member Boards should consider leveraging these capabilities and the strong position the Consortium has exhibited to undertake a comprehensive, system-wide review of bell times and the opportunities presented by realigning bell times to further enhance the overall efficiency and effectiveness of the combined transportation system.

5 Contracts

5.1 Introduction

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

- Contract structure;

- Contract negotiations; and

- Contract management.

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

Contracts – Original E&E Rating:	Low
Contracts – New E&E Rating:	High

5.2 Contract Structure

An effective contract[4] 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.

5.2.3 Original recommendations

Execute the bus operator contract

The Consortium should take all steps necessary to immediately execute the bus operator contract. Executing the contract - for which negotiations have ended – will not only help limit liability to the Consortium, it will also facilitate bus operator efforts to raise the debt and working capital necessary for them in order to continue providing the Consortium with high quality service. Going forward, the Consortium should have operator contracts in place prior to the commencement of the school year.

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[4] 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.

Include additional clauses in the bus operator contract

It is recommended that the bus operator contract be modified to include clauses related to dispute resolution, confidentiality of information, and driver performance expectations. It is further recommended that bus operators be mandated to provide EpiPen training to drivers prior to their first day of operating a bus with students onboard, in line with best practices in the sector and to ensure that drivers are qualified to manage potentially life threatening emergency situations from the first day of their interaction with students.

Modify the bus operator compensation formula

Discussions with Consortium management indicated that bus operators are paid the time rate on inclement weather days to, in part, compensate them for overhead costs. However, this fixed cost should be fully captured in the basic rate, which is also provided to bus operators on inclement weather days. Furthermore, the time rate is calculated based on the amount of time spent over a three hour minimum, which is unlikely to be exceeded on days during which the fleet is not in operation. While it is recognized that there are costs incurred by bus operators to ensure that the fleet of buses and drivers are ready to resume duty when the inclement weather passes by, it is equally important that bus operators not be compensated for costs that are not incurred by them on these days. It is therefore recommended that the Consortium make efforts to ensure that they are not compensating operators for the overhead portion of the time rate during inclement weather days.

5.2.4   Incremental progress

5.2.4.1 Bus operator contracts

Operator contracts are in place with all of the Consortium's current operators. RFP 12-01, which accounts for 30% of the Consortium's routes, was completed in March of 2012, with contracts executed for the start of September 2012. The remaining 70% of the routes also have operator contracts in place; these contracts are set to expire on August 31st, 2013, as the RFP 12-02 contracts are set to begin.

5.2.4.2 Additional clauses in the bus operator contract

Currently, 30% of the contracts are associated with RFP 12-01, and were executed for September 2012. Each of these contracts includes clauses related to confidentiality of information, dispute resolution, driver performance requirements, and EpiPen training.

The remaining 70% of the routes have contracts that expire on August 31st, 2012. These contracts include clauses related to confidentiality of information, driver performance requirements, and EpiPen training, however, they do not include any clauses related to dispute resolution. As of September 1, 2013, the new contracts for the remaining 70% associated with RFP 12-02 will be similar to RFP 12-01 contracts, and will include dispute resolution processes.

In addition, the contracts associated with RFP 12-01 and RFP 12-02 have allowances for the installation of GPS units on operator buses. These GPS units are required to comply with SCSTC's system requirements.

5.2.4.3 Bus operator compensation formula

Based on the last E&E Review recommendations, the Consortium adjusted the compensation formula to eliminate the time rate paid to operators on inclement weather days. On inclement weather cancellations, the contractor is compensated with 75% of the basic rate.

5.2.5   Accomplishments

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

5.2.5.1 Bus operator contract clauses

The Consortium has contracts in place with all bus operators ensuring the contractual relationship between bus operators and the Consortium is defined and enforceable. New clauses relating to EpiPen training, confidentiality, dispute resolution, and driver performance requirements are consistent with best practices.

5.2.5.2 Compensation formula

All operator contracts include a compensation formula that uses a basic rate to provide compensation for insurance, licensing, amortization, wages, etc. and a kilometre rate to compensate operators for the loaded distance travelled. The formula is simple and does not compensate operators for costs that have not been occurred. The formula is consistent with best practices throughout the province.

5.3   Goods and Services Procurement

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

5.3.3   Original recommendations

Develop and communicate a procurement calendar

It is recognized that the Consortium currently has an annual planning calendar in its draft administration policies; however, this calendar does not mandate a timeline over which the Consortium must procure operator services. It is recommended that the Consortium modify this planning calendar to include key dates, milestones and responsibilities related to the procurement of operator services. This timeline should also mandate the completion of operator procurement processes well before the start of the new school year. The Consortium should then communicate this procurement calendar to its operators so as to facilitate the operator's annual planning process.

Develop plans for the implementation of competitive procurement for bus operator services

Contracts for school bus transportation services are currently not competitively awarded. By not engaging in a competitive process, the Consortium will not know whether it is paying best rates for services provided. If a competitive process is used to procure contracted services, the Consortium can clearly state all service requirements in the procurement document. In addition, the Consortium can be sure that it will obtain the best value for its money as operators will compete to provide the required service levels. The use of competitive procurement may not mean that rates will decline; however, the concern for the Consortium should be to obtain best value for money expended.

A competitive process can be used with certain safeguards in place to protect the standards of service. The Consortium should continue to enforce limits placed on the amount of business any one operator can hold to avoid a monopoly situation. Additionally, 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. Local market conditions should be considered at all points in the development and evaluation of any service proposal. For example, local operators can be encouraged to participate in this process by placing a value on having local experience as part of the evaluation criteria; however, this specific criterion for local experience should also not be an overriding factor in the proposal evaluation process.

As the Contracting Practices Resource Package has been released, the Consortium should start developing an implementation plan for competitive procurement. A plan should include a review of existing procurement policies, an analysis of the local supplier market, strategies to help determine the RFP scope and processes and a criteria and timeline to phase-in competitive procurement. The plan should also utilize the best practices and lessons learned that are available from the pilot Consortia.

5.3.4 Incremental progress

5.3.4.1 Procurement calendar

The Consortium developed a procurement calendar for RFP 12-01 and RFP 12-02, which was presented and approved during Board of Directors meetings prior to the release of the RFP. There is no indication that the Consortium communicated the procurement calendar to its operators prior to the release of either RFP.

5.3.4.2 Competitive procurement

RFP 12-01 was issued on January 13, 2012, for all Full-Size buses, Busettes, Minivans and Physically Disabled Passenger Vehicles (PDPVs) for all routes in the Midland/Penetanguishene Area and the Orillia Area. This accounts for approximately 30% of the Consortium's routes. RFP 12-01 contracts and terms were effective September 2012.

RFP 12-02 was issued June 27, 2012 for the remaining 70% of the Consortium's routes for all Full-Size buses, Busettes, Minivans and PDPV's for all routes in the Bradford Area and Alliston/Tottenham Area, the Collingwood/Stayner/Wasaga Beach Area, the Barrie/Elmwale Area, and the Muskoka area. RFP 12-02 contracts and terms are effective September 2013.

Following the completion of RFP 12-02, all of the Consortium's transportation services have been procured using a competitive procurement process.

5.3.5 Accomplishments

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

Competitive procurement

The competitive procurement process that has been implemented by the Consortium is open, transparent and accountable. By introducing business opportunities to a competitive market, the Consortium is ensuring it continues to receive the market rates for the level of service that is provided.

5.4 Contract Management

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

- Administrative contract compliance to ensure that operators meet the requirements set out in the contract;

- Operator facility and maintenance audits to ensure that operators 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.

5.4.3 Original recommendations

Modify the audit consultant's scope of work

While the audit consultant's scope of work includes the verification of a number of key service and compliance areas, additional elements should be included in order to ensure that the consultant is verifying all mandated elements of the bus operator contract and all areas that are of concern to the Consortium. In particular, the scope of work should be modified to include, at minimum, the verification and assessment of:

- *Bus operator CVOR certificates;*

- *The validity of driver's licenses; and*

- *The condition of operator facilities such as, for example, vehicle garages.*

Modify the operator safety and service monitoring process

It is recognized that the Consortium's route auditing process imposes sufficient documentation and information requirements. However, in order to increase the effectiveness of the safety and service monitoring process, it is recommended that the Consortium move towards making this monitoring process random – i.e. audits should be conducted without informing the bus operator in advance. Making the process random will allow Consortium staff to gain a clearer view of the service standards maintained by operators on a typical, day-by-day basis. This will improve the Consortium's ability to identify the difference between expectations and reality.

It is further recommended that the results of the Consortium's operator safety and service monitoring process be documented, tracked over time and the results of the service monitoring process be communicated back to the operators on a regular and timely basis. Having such a feedback loop will assist them in managing their drivers, facilities and vehicles, and will ultimately help operators improve the quality of their services.

5.4.4   Incremental progress

5.4.4.1 Audit consultant's scope of work

As previously mentioned, the route and facility audit consultant's scope of work has been replaced by the Consortium's staff Safety and Accessibility Officer. The Consortium's Administration Guide outlines the procedure for the operator audits and provides the audit criteria. The audits are conducted twice a year and are comprised of driver assessments, vehicle assessments, operator assessments, and safety and management assessments. Audit items listed in the original E&E Review such as operator CVOR certificates, driver's licenses, and facility conditions are all part of the audit. In addition route/run audits are conducted on a minimum of 10% of the routes annually.

5.4.4.2 Operator safety and service monitoring process

As mentioned above, the Consortium's Administration Guide outlines the procedure for operator audits conducted by the Consortium. The audits are conducted semi-annually, and provide a random sampling of a minimum of 10 buses per operator location, per audit. In addition, route/run audits are conducted on a minimum 10% of the contracted fleet annually, with the process outlined in the Consortium's Operations Guide. Although the Consortium does conduct route/run audits which consist of driver assessments, vehicle assessments, and headcount checks, the process does not consist of verifying if drivers are completing the routes correctly (stopping at correct stops, not making additional stops, deploying crossing arm, stopping at railway crossings, etc.). The Consortium has noted that with the implementation of GPS, the Consortium intends to utilize the system as an incremental tool to conduct route audits in the future.

The results of the audits are recorded and communicated to the operators as part of the assessment process. To date, all non-compliance issues (typically missing driver documentation) have been remedied within 30 days of the audit.

5.4.5   Accomplishments

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

5.4.5.1 Operator safety and service monitoring process

The Consortium has introduced an operator safety and service monitoring process that includes semi-annual planned operator audits, and random route audits on a minimum of 10% of the routes. By including a random component in the monitoring process, the Consortium will have a clearer view of the

service standards maintained by operators on a typical day. In addition, the Consortium communicates the results of the evaluations to operators which provides them an opportunity to improve their performance.

5.4.6 Recommendations

5.4.6.1 Route audits

It is recommended that the Consortium modify its route audit procedure to include on-the-road operator performance reviews. The audits should be used to verify that the drivers are completing the routes correctly, including checks that the driver is stopping at correct stops, not making additional stops, deploying crossing arm when required, stopping at railway crossings, etc.

5.4.6.2 Procedures for electronic route audits

In both RFP 12-01, and RFP 12-02, the Consortium has made an allowance to have GPS units installed on operators buses, and during the review the Consortium indicated that it intends to use them to monitor route compliance electronically. It is recommended that the Consortium develop and document procedures around the documentation of GPS tracking to reflect how and when staff monitor GPS results and how they respond to concerns.

5.5 Results of E&E Review

The process by which the Consortium negotiates, structures, and manages its contracts for transportation services has been assessed as **High**. Since the last review, the Consortium has obtained contracts with all of its operators, adjusted the operator compensation formula to better reflect the operators costs, competitively procured 100% of its routes, and documented a more comprehensive operator/contract compliance program, all of which are consistent with best practices.

6 Funding Adjustment

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

The Ministry's funding formula is as follows:

Table 3: Funding Adjustment Formula

Overall Rating	Effect on deficit Board[5]	Effect on surplus Board[5]
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:

Simcoe County District School Board

Item	
2011-2012 Transportation Surplus (Deficit)	$14,393
% of Surplus (Deficit) attributed to the Consortium	100%
Revised amount to be assessed under the Consortium	$14,393
E&E Rating	High
Funding Adjustment based on Ministry's Funding Adjustment Formula	No adjustment
2012-2013 Total Funding adjustment	$0

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

Simcoe Muskoka Catholic District School Board

Item	
2011-2012 Transportation Surplus (Deficit)	$261,193
% of Surplus (Deficit) attributed to the Consortium	92.23%
Revised amount to be assessed under the Consortium	$261,193
E&E Rating	High
Funding Adjustment based on Ministry's Funding Adjustment Formula	No adjustment
2012-2013 Total Funding adjustment	$0

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

Appendix 1: Glossary of Terms

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

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

Appendix 2: Financial Review – by School Board

Simcoe County District School Board

Item	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013[6]
Allocation[7]	$19,366,172	$19,133,453	$19,055,408	$19,276,340	$18,638,580
Expenditure[8]	$18,292,665	$18,458,404	$19,248,673	$19,261,947	$ 18,555,500
Transportation Surplus (Deficit)	$1,073,507	$675,049	($193,265)	$14,393	$83,080
Total Expenditures paid to the Consortium	$18,292,665	$18,458,404	$19,248,673	$19,261,947	$18,555,500
As % of total Expenditures of Board	100%	100%	100%	100%	100%

Simcoe Muskoka Catholic District School Board

Item	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Allocation	$12,143,254	$12,472,801	$12,488,520	$12,594,398	$12,336,003
Expenditure	$12,176,060	$12,163,391	$12,528,341	$12,333,205	$12,040,152
Transportation Surplus (Deficit)	($32,806)	$309,410	($39,821)	$261,193	$295,851
Total Expenditures paid to the Consortium	$9,740,848	$11,339,797	$11,680,036	$11,498,113	$11,224,902
As % of total Expenditures of Board	80%	93.23%	93.23%	93.23%	93.23%

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[6] 2012-2013 allocations and expenditures based on Ministry data – Revised Estimates for 2012-2013
[7] Allocation based on Ministry data – includes all grant allocations for transportation (Section 9 00008C, Section 13 00006C, Section 13 00012C)
[8] Expenditure based on Ministry data – taken from Data Form D: 730C (Adjusted expenditures for compliance) – 212C (Other Revenues)

Appendix 3: Document List

1	Simcoe County STC E&E Recommendations Checklist - FINAL March 11, 2011
2	Consortia Snapshot SIMCOE 11-12
3	Financial adjustment Calculation SIMCOE
4	Financial Snapshot - Simcoe County DSB
5	Financial Snapshot - Simcoe Muskoka Catholic DSB
6	AA1 - November 2009 SCSTC E&E Recommendations-SCSTC Status Update-Summary
7	AA2 - November 2009 SCSTC E&E Recommendations-SCSTC Status Update-Details
8	AA3 - Leading Practice Guide-SCSTC Status Update-Summary
9	CM - 0-COVER LETTER-Section 1
10	CM 14b – Annual (audited) financial statements of the consortium for 2011-2012
11	CM 14d – Governance approved plans for the management of changes to the Consortium's revenues and expenses
12	CM 14e – Invoice for services purchased from the SMCDSB by SCSTC
13	CM 14f – Operator billings from December 2012
14	CM 13a – SCSTC BOD approved budget schedule
15	CM 13d, 10c, 11a, 11b, 11c, 11d, 13e - SCSTC Q3 - May 2012- Financials
16	CM 1a, 1c, 2c, 4, 6, 12b – Consortium membership agreement
17	CM 1b, 1c, 2c, 10a, 14a, 14c – Letters patent and Consortium By-laws
18	CM 2a – Governance organizational chart
19	CM 5 – Executed transportation service level agreements
20	CM 6, RT 3 – SLA's for support services
21	CM 9e, 10b, 11a, 11b, 14d - SCSTC Strategic Plan Outline
22	CM 10c - Year over Year Quantitative Metrics
23	CM 11c, 13c – Evidence that metrics are reviewed and presented to stakeholders
24	CM 12a – SCDSB Policies 2196 & 2197
25	CM 12c – Evidence of Freedom of Information and Privacy legislation review
26	CM 12e – Driver confidentiality agreements
27	CM 12f – Staff confidentiality agreements
28	CM 7a - SCSTC 2013 Annual Insurance Review and Renewal
29	CM 7b – Confirmation of insurance coverage with OSBIE
30	CM 8 - Procurement Policy

31	CM 9a – Employee Information Handbook
32	CM 9b - 2012-2013 Employee Performance Appraisal & Annual Review
33	CM 9d - SCSTC Staff Training Matrix: 2010-2011
34	CM 2b – Governance Committee meeting minutes
35	CM 9f, 11c – Staff meeting minutes
36	CM 3a – Organizational chart
37	CM 3b – Job descriptions
38	PP - 0-COVER LETTER-Section 2
39	PP 1 - Multiple SCSTC Policies relating to transportation
40	PP 4, C 9e, C 9f - Report to measure or benchmark service levels
41	PP 5 – First Rider Program 2012
42	PP 8 - List of programs offered by SCDSB
43	RT - 0-COVER LETTER-Section 3
44	RT 1 - Planning policies
45	RT 3 – Copy of contract with routing software vender and service providing entities
46	RT 4 – 1 – BusPlanner training manual
47	RT 4 – 2 – BusPlanner training manual
48	RT 5 - Technology Matrix and Flow Chart
49	C - 0-COVER LETTER-Section 4
50	C 1a, C1c, C 3b, C 4, CM 12d, PP 6 – sample contracts
51	C 1b – Bus operator signature sheets
52	C 3a – List of operators contracted
53	C 3c – Contracts with transportation service providers
54	C 5 - 2012-2013 School Year Start Up Compliance Checklist - Vehicles
55	C 7b – Operator insurance information
56	C 7c, 7b - 2012-2013 School Year Start Up Compliance Checklist - Operator/Driver
57	C 8a – RFP Board of Director Meeting documents
58	C 8b - REQUEST FOR PROPOSAL RFP # 12-01
59	C 8c - STUDENT TRANSPORTATION SERVICES AWARD NOTIFICATION
60	C 9a, 7a - School Vehicle and Operations Assessments and Audits
61	C 9b - Operator Driver Assessment Form
62	C 9c, 7b, 9d, 9e, 9g - SCSTC - Operator Assessment
63	C 9f - SCSTC Operator Assessment Summary
64	SCSTC_Oper_Guide_V_2013_1_130320

65	SCSTC_Admin_Guide_V_2013_1_130320
66	1.1.1.1-Membership Agreement-SIGNED
67	1.1.1.4-Board Motions to Approve Meeting Minutes-SIGNED
68	1.3.1.12-SCSTC Record Retention Policies-AAOP400 and AAOP401
69	1.3.1.5-SCSTC Bylaws-APPROVED
70	2.1.1.2-SCSTC RFP 12-02-FINAL DOC
71	2.2.1.1-RFP 12-01 and RFP 12-02-BIDDINGO NOTIFICATION
72	SCSTC-April 3, 2013 E&E-Student and Run Data File

Appendix 4: Common Practices

		Elementary		Secondary
		JK/SK	**Gr. 1 - 8**	**GR. 9 - 12**
Home to School Distance				
	Common Practice	0.8 km	1.2 km	3.2 km
	Policy - SCDSB	1.6 km	1.6 km	3.2 km
	Policy - SMCDSB	1.6 km	1.6 km	3.2 km
Home to Bus Stop Distance				
	Common Practice	0.5 km	0.8 km	0.8 km
	Policy - SCDSB	0.8 km	0.8 km	0.8 km
	Policy - SMCDSB	0.8 km	0.8 km	0.8 km
Arrival Window				
	Common Practice	18	18	25
	Policy - SCDSB	15	15	15
	Policy - SMCDSB	15	15	15
Departure Window				
	Common Practice	16	16	18
	Policy - SCDSB	15	15	15
	Policy - SMCDSB	15	15	15
Earliest Pick Up Time				
	Common Practice	6:30	6:30	6:00
	Policy - SCDSB			
	Policy - SMCDSB	**6:45 AM is the earliest pick-up time in the database**		
Latest Drop Off Time				
	Common Practice	5:30	5:30	6:00
	Policy - SCDSB			
	Policy - SMCDSB	**4:54 PM is the latest drop-off time in the database**		
Maximum Ride Time				
	Common Practice	75	75	90
	Policy - SCDSB	60	60	75
	Policy - SMCDSB	60	60	75
Note:	Over 97 percent of the students have ride times < 60 minutes			
Seated Students Per Vehicle				
	Common Practice	69	69	52
	Policy - SCDSB	72	72	48
	Policy - SMCDSB	72	72	48