



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 04/21/2020

ITEM NO: 16

DATE: April 16, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Negotiate and Execute an Amendment to the Agreement with Santa Barbara Transportation Corporation Doing Business as Student Transportation of America

RECOMMENDATION:

Authorize the Town Manager to negotiate and execute an amendment to the agreement with Santa Barbara Transportation Corporation doing business as Student Transportation of America (STA).

BACKGROUND:

COVID-19 has created a situation where the Town's service provider for the school bussing program, STA, has had to lay off or furlough employees due to a lack of work. Staff brings this item for Council consideration as an opportunity to increase the likelihood the service provider is available and has staffing to allow for regular service to the Town when school activities resume for the 2020/21 academic year. On March 3, 2020, the Town Council directed that the Town continue the school bus program for one more school year and bring back options to transition the service to a different model for future years.

As staff was rolling out this program, there were limited contractors interested in the Town's program (only one vendor provided a proposal). And as the program has progressed, STA has had difficulty finding and retaining drivers.

DISCUSSION:

STA has expressed an interest in retaining employees on the payroll as a way of enhancing business continuity when services resume. STA has offered that some operational savings may be achieved through areas such as fuel savings. A letter from STA is provided as Attachment 1.

PREPARED BY: Matt Morley
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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DISCUSSION (continued):

The total amount due under the agreement for the 53 student attendance days between March 16, 2020 and June 5, 2020 would equal approximately \$60,000 should school have continued as originally scheduled. The agreement with STA (Attachment 2) contains language in Section 5 b. iii. that relieves the Town from the obligation to pay:

The Town is not obligated to accept or pay for services agreed to be furnished by the Provider on those days when, by direction of the School District, classes served under this Contract are closed to ensure the health and safety of the students or for any other lawful reason. The decision as to the need for closing at the start of the day or for early dismissal during the day shall be made by the Superintendent of the School District.

An amendment to the agreement could stipulate the Town's expectations of service once school is back in session in exchange for payment while schools are closed for the remainder of the 2019/20 academic year.

In consideration of this item, the Town Council may want to provide policy guidance on the following questions:

- Should the Town negotiate with the vendor to make partial payments or should the Town notice the vendor that payment following the school closures will not occur?
- Should partial payments include payments with guarantees the funds are to retain drivers on payroll?
- Should partial payments include other normal business costs such as administrative and maintenance costs including staff, exclusive of actual savings (e.g. fuel)?
- If the school year is delayed in starting next fall, is there additional guidance the Council would provide?

CONCLUSION:

If approved by the Town Council, the recommendation would authorize the Town Manager to negotiate modifications to the agreement with STA.

FISCAL IMPACT:

Funds for these programs are budgeted in the Fiscal Year 2019-20 Operating and Capital Budgets. Any savings achieved would be reflected in the year end fund balance and be available for future programming by the Town Council.

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ALTERNATIVE:

Alternatively, the Council could direct staff to discontinue payments for the balance of the school year and resume the program when school resumes, presumably in the fall of 2020.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Letter from STA.
2. Agreement with STA.