



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/16/2020

ITEM NO: 15

DATE: June 10, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Postpone the Extension of School Bus Service with Santa Barbara Transportation Corporation Doing Business as Student Transportation of America for the 2020/21 School Year

RECOMMENDATION:

Postpone the extension of school bus service with Santa Barbara Transportation Corporation doing business as Student Transportation of America (STA) for the 2020/21 school year.

BACKGROUND:

At its September 18, 2018 meeting, the Town Council authorized funding to provide a pilot school bus service consisting of two routes for 18 months of service. The sole purpose of the pilot was to reduce vehicle congestion around schools. The Town began to provide a pilot school bus service in January 2019. Most recently, the Town was providing two routes of service in its second year serving three schools, including Los Gatos High School, Fisher Middle School, and Blossom Hill Elementary School. On March 3, 2020, the Town Council took an action to continue the school bus program for one more school year.

The service was suspended after March 13 due to the Santa Clara County and the State Shelter in Place Orders. At its May 5 meeting, the Town Council authorized the First Amendment to continue to pay the transportation contract at 90% of the rate as included in the original contract.

In May, staff provided a status update to the customers and offered refunds upon request due to service suspension. As of June 8, a total of 34 customers requested the partial refund.

PREPARED BY: Ying Smith
Transportation and Mobility Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Director of Parks and Public Works

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SUBJECT: Postpone the Extension of School Bus Service with Santa Barbara Transportation Corporation Doing Business as Student Transportation of America for the 2020/21 School Year

DATE: June 9, 2020

BACKGROUND (continued):

As the next school year approaches, Town staff has been working with the school district to identify what levels of in-person instruction will occur next school year. The districts expect to have a decision sometime in July, regarding instruction details developed over the course of the summer. The California Department of Education (CDE) released *Stronger Together: A Guidebook for the Safe Reopening of California's Public Schools* on June 8.

The July timeframe provides a challenge for notifying STA about the Town's intent to continue service. STA has set a July 1 deadline to put drivers and busses in place to service the account.

DISCUSSION:

COVID-19 and corresponding public health guidelines has not only created disruption to the current year bussing service, but also uncertainties in the next year. In the face of the uncertainties brought by COVID-19, school districts across the State are working to develop plans to prepare for the next school year. The conditions under which the schools will reopen will be guided by the public health restrictions in place in August and the school districts don't yet know what those restrictions will be and likely will not know until sometime in July.

Based on COVID-19 and related uncertainties, staff has identified a number of challenges to providing bus service next year:

Lower Demand

Social distancing requirements at school may mean there will be a smaller number of students attending schools at any given time. According to the State Superintendent of Public Instruction Tony Thurmond, there are a few things we can expect across the board. Students and staff will be required to maintain physical distance and probably wear face masks and students will probably only be allowed back into the classroom in smaller numbers. There are a few ways school districts may choose to accomplish this, including staggered school days, a hybrid of distance and classroom learning, splitting students into morning and afternoon sessions, and splitting students into cohorts. All of these measures are expected to lower the demand for school bus service by at least half, assuming other factors are held constant.

Reduced Bus Capacity

Social distancing requirements will result in a smaller number of students allowed on the bus. Although there is not yet official guidance on spacing on school busses during the pandemic, estimates from different states put the capacity between nine to thirteen students on a

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DISCUSSION (continued):

standard school bus that typically has a maximum capacity of 72. One California school district's estimate indicates that only nine students will be allowed on a bus.

COVID-19 Health Concerns

Health considerations by parents and students will likely affect the acceptance toward bus service and hence affect the demand further. The Town is soliciting feedback from existing customers and other parents in the second week of June. The survey results will be provided as an addendum prior to the Council meeting.

It is unknown at this time how STA may deploy social distancing and cleaning practice to meet the new CDE guidance.

CONCLUSION:

In order to allow for regular service to the Town when school resumes for the 2020/21 academic year, it is necessary to decide by July 1 to extend the contract and modify related terms. Given the COVID-19 district response uncertainties, the already poor ridership performance, and the likelihood of increased costs to the Town, staff recommends postponing the decision to renew the agreement with STA.

Should school begin in some fashion where bussing could be resumed, the Town could engage with STA at that point. There is some risk with this approach that the Town would miss the opportunity to obtain bus service due to vehicle or driver availability. There is also a possibility that modified in person school days could leave an extra supply of busses available.

ALTERNATIVE:

Staff negotiated a modified contract term with STA to allow for service with a late cancellation. Within the contract terms under "termination" the following language is acceptable to STA:

Termination or Modification of Service due to Other Reasons

If the TOWN cancels or suspends service in whole or in part for any reason and, as a result, Provider does not perform work that otherwise was scheduled and would have been performed, Provider will invoice TOWN and TOWN agrees to pay a sum equal to fifty-three percent (53%) of the daily charges for each scheduled transportation day that service is suspended or cancelled.

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ALTERNATIVE (continued):

STA stated that the minimum 53% payment is needed to cover the fixed cost if a client cancels the contract. This is a cost that is typically amortized over the length of the contract (typically 10 months).

The modification to the terms could put a greater financial burden on the Town should the Town have to cancel service for lack of ridership or some other factor. The Town would need to pay up to \$129,986, or 53% of the total contract amount, for service that is not delivered. In addition, when the service is not provided, the Town will not likely be eligible to receive reimbursement from the Transportation Fund for Clean Air (TFCA) grant that was awarded by the Santa Clara Valley Transportation Authority.

COORDINATION:

This report was coordinated with Los Gatos Union School District staff, the Town Attorney, and the Finance Department.

FISCAL IMPACT:

Funds for the project are budgeted in the Fiscal Year 2020-21 Capital Improvement Program Budget. Any savings achieved would be reflected in the year end fund balance and be available for future programming by the Town Council.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Draft Second Amendment to the Agreement with STA
2. Agreement with STA
3. First Amendment to the Agreement with STA