



Area School District

MEMORANDUM

Ripon Area School District

1120 Metomen St., Ripon, WI 54971

www.ripon.k12.wi.us

To: Board of Education

From: Jonah Adams, Business Manager

Date: July 12, 2024

Subject: Transportation Contract for 2024-2025

Background

In the 2022-2023 school year, RASD entered into a five-year agreement with Northern Express Bus Service. The original contract included an annual rate increase of 2% to 5%, contingent upon inflation rates. Currently, RASD administrators and Northern Express are in tentative discussions for a 2024-2025 contract renewal, proposing a 2.8% increase and a two-year extension, which would extend the contract through the 2028-2029 school year. The rate adjustment is tied to the Consumer Price Index for the Midwest region, based on the 12-month period ending in April.

The proposed two-year extension offers benefits for the district:

1. Northern Express has been a reliable partner, providing excellent customer service and training bus drivers to proactively prevent student misbehavior. Extending the partnership aligns with our positive experiences.
2. The current contract terms allow for a maximum 5% annual increase, which has been beneficial when the Consumer Price Index (CPI) exceeded this threshold. Extending the contract ensures these favorable terms remain in place through the 2028-2029 school year.

However, there is one downside to the extension: the District would delay issuing a request for proposal (RFP) until 2029. RFPs have historically helped reset prices at lower rates, though this is not always the case. For instance, during the last transportation RFP process, while Northern Express provided the most competitive bid, it still resulted in a significant rate increase compared to our prior vendor. Despite this, Northern Express has delivered superior customer service, a value that cannot be easily quantified.

NORTHERN EXPRESS STUDENT TRANSPORTATION EXPENSES

	2022-2023 Actual	2023-2024 Actual	2024-2025 Budget
Regular	\$429,785	\$491,670	\$532,634
Special Education	244,753	227,476	228,543
Midday 4K	52,124	-	-
Summer School	38,596	51,564	53,008
High School Sports & Extracurricular	34,080	35,318	36,307
Field Trips	15,002	22,050	22,667
Middle School Sports & Extracurricular	5,670	5,534	5,689
Annual Overhead Fee	-	7,700	7,916
TOTAL	\$820,010	\$841,311	\$886,764

Notes: Actual amount paid to Northern Express in 2022-2023 was approximately \$784,196. Other vendors provided student transportation, including Lamers Bus Co. for the 2022 summer school. The 2024-2025 school year is scheduled to have 172 regular school days, with the budget assuming no snow days. Snow days do not incur transportation expenses, and there were two such days last year.

RASD anticipates that student transportation expenses for the 2024-2025 school year will increase by approximately \$45,453 compared to the previous year. These expenses will be allocated from the General Fund (10), Student Activity Fund (21), Special Education Fund (27), and the Community Service Fund (80).

Recommendation

I recommend that the Board approves renewing its agreement with Northern Express, incorporating a 2.8% increase in rates and extending the contract by two years. I look forward to discussing this issue with you further at your convenience.