

Ministry of Education

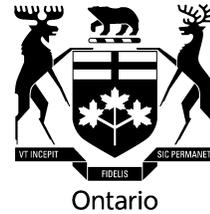
Minister

Mowat Block
Queen's Park
Toronto ON M7A 1L2
Telephone 416 325-2600
Facsimile 416 325-2608

Ministère de l'Éducation

Ministre

Édifce Mowat
Queen's Park
Toronto ON M7A 1L2
Téléphone 416 325-2600
Télécopieur 416 325-2608



March 29, 2012

Dear Chair,

I am pleased to inform you that our government has reviewed the Report of the Student Transportation Competitive Procurement Task Force. While the recent Budget announcement confirmed our commitment to competitive procurement for student transportation services, I am writing to provide you with further details on our response to this report.

To begin, I want to thank all school boards and consortia for supporting the work of the Task Force, and The Honourable Coulter Osborne for his work as Chair. Ontario has one of the largest student transportation systems in North America. Annually, we are spending close to \$1 billion to provide this service to our 800,000 students. Every day, bus operators and school boards work diligently to ensure that our students arrive at school safely, on time and ready to learn.

Above all, our focus in student transportation needs to be on the safety of our children. For many parents, the school day starts the moment they see their child step on to a school bus, and they need to have the peace of mind knowing that their child is safe.

In addition, Ontarians expect that the student transportation sector is efficient, accountable and provides value for taxpayers' dollars.

That is why since 2007, our government has worked with school boards, consortia, and operators to prepare the student transportation sector for competitive procurement to ensure taxpayer-funded services are procured in a fair, open, transparent, and accountable manner.

In light of the unique challenges faced by operators and school boards, our government created the Task Force to review competitive processes used to procure student transportation services.

While it was our hope that the Task Force would come to a consensus on recommendations, there was no unanimous support for any proposed recommendations included in the final report. A copy of the report is attached for your reference, and is also available on my ministry's website at: <http://edu.gov.on.ca/eng/document/nr/12.03/taskForce.html>.

Although the report did not include any definitive recommendations, our government is supportive of several of the best practices identified, including:

- The use of a Fairness Commissioner;
- Bundling routes where appropriate;
- Providing enough time for proponent questions; and
- Incorporating market share limits to encourage multiple vendor awards, helping to avoid monopoly situations.

I know some small bus operators have requested an extension of the exemption to the BPS Procurement Directive for student transportation services. However, our government will not support such an extension. Over the last five years, the majority of the issues raised in the Task Force report have been identified; best practices have evolved and have been implemented across the province.

I am confident that the sector has the capacity and resources to fully comply with the BPS Procurement Directive. I am also confident this direction will provide the sector with the clarity it needs to effectively implement competitive procurement.

It is our expectation that all school boards will undertake procurement processes that comply with the BPS Procurement Directive, while still honouring the terms and extension clauses of any existing contracts. It is also our expectation that the above best practices, along with those contained in **numbered memorandum 2012:B8**, will be adopted by school boards and consortia when developing any competitive procurement strategy for student transportation.

The need for competitive procurement in the student transportation sector was clearly articulated by the Commission on the Reform of Ontario's Public Services, chaired by Don Drummond. The report specifically recommends that, in order to achieve efficiency and effectiveness, the ministry support the requirement for competitive procurement for student transportation services. This recommendation is in addition to those of the Auditor General, who has also asked since 2006 that school boards engage in competitive practices.

The Task Force report even acknowledges the need for competitive procurement when it says, "in student transportation competitive procurement is required by law and even if it was not, it is desirable because almost \$1 billion of taxpayers' money is on the line."

As I mentioned earlier, we recognize the challenges this could present. That is why we will continue to help school boards and bus operators as they move to full competitive procurement. The ministry will be providing the following resources to support this transition, including:

- Funding to school boards that are new to competitive procurement for student transportation services, so that they may retain the services of a fairness commissioner or a procurement advisor;
- The “BPS Procurement Directive Working Committee Checklist for Student Transportation”, which identifies best practices;
- Funding to the Ontario School Bus Association to continue training for operators.

I want to thank all of you for your patience and willingness to participate in the many discussions we have had over the past five years to move towards a competitive procurement process. We all have an important role to play in ensuring the safety of student transportation in Ontario as well as a responsibility for ensuring accountability to the public.

I hope the clarity provided here and in the memo to follow will help the sector plan for the future.

Yours truly,



Laurel Broten
Minister

c. Gabriel F. Sékaly, ADM