

COMMITTEE REPORT

SENATE

FURTHER:

8/17/79

Date 5/2/84

Mr. President

The Committee on FINANCE considered SB 400

suppl transportation contracts; etc.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 400 (Fin)
- new title
- same title and recommends DO Pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation *SB 200/83 FIN accompanied bill into committee*
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: 400  
Title: ...pupil transportation contracts  
Sponsor: Senate Rules  
Requestor: Governor  
Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Education  
Program Category Affected: Education  
BRU, Program or Subprogram(s) Affected: K-12 Support

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                       | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 |
|-----------------------|-------|-------|-------|-------|-------|-------|
| OPERATING             |       |       |       |       |       |       |
| 100 PERSONAL SERVICES |       |       |       |       |       |       |
| 200 TRAVEL            |       |       |       |       |       |       |
| 300 CONTRACTUAL       |       |       |       |       |       |       |
| 400 SUPPLIES          |       |       |       |       |       |       |
| 500 EQUIPMENT         |       |       |       |       |       |       |
| 600 LAND & STRUCTURES |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS    |       |       |       |       |       |       |
| 800 MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING       | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| CAPITAL |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

|         |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|
| REVENUE |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND  | -0- | -0- | -0- | -0- | -0- | -0- |
| FEDERAL FUNDS |     |     |     |     |     |     |
| OTHER         |     |     |     |     |     |     |
| TOTAL         |     |     |     |     |     |     |

POSITIONS:

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| FULL-TIME |  |  |  |  |  |  |
| PART-TIME |  |  |  |  |  |  |
| TEMPORARY |  |  |  |  |  |  |

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: William D. Thompson, Director Phone: 465-2865  
Division: Management, Law & Finance Date: 12/20/83

Approved by Commissioner: Harold Reynolds, Jr. Date: \_\_\_\_\_  
Agency: Education

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Introduced: 2/2/84

Original Sponsor: By the Rules Committee by  
Request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 400 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pupil transportation contracts;  
7 and providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 37.05.230(4) is repealed and reenacted to read:

10 (4) the provisions of this section relative to competitive  
11 bids do not apply to contracts for the operation of transportation  
12 systems for students to and from the schools within the state, as are  
13 authorized under AS 14.09.010; and these contracts may be awarded by  
14 bid and, at the discretion of the board of education, may be awarded  
15 for periods of five years or less;

16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
17 10.070(c).

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BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

SA #10

February 2, 1984

The Honorable Jalmar Kerttula  
Alaska State Senate  
Pouch V  
Juneau, Ak 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which eliminates the three-year limitation on pupil transportation contracts.

There have been conflicting rulings on the authority of the Department of Education (DOE) to reimburse school districts for pupil transportation when these districts have entered into contracts with private contractors which exceed three years.

This bill would remove the apparent restriction on length of contracts so that pupil transportation contracts would clearly not be limited to three years. This modification will avoid unnecessary litigation on the issue and will result in lower per unit costs since a private contractor will be able to spread its investment over a longer period of time.

The bill would also permit the department to develop alternative methods of contract award by deleting language that limits the department to competitive bidding or negotiation methods. DOE has regulations in place setting out a detailed contract award procedure (4 AAC 27.085), and it is expected that any alternative method of award developed by the department would also be set out in regulations.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield  
Governor

Introduced: 2/2/84  
Referred: Health, Education and  
Social Services and  
Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 400

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

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14

BID OR NEGOTIATION AND, AT THE DISCRETION OF THE BOARD OF EDUCATION,

15

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\* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

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10.070(c).

# MEMORANDUM

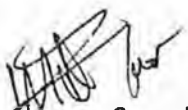
# State of Alaska

TO: The Honorable Frank Ferguson  
Alaska State Senate

DATE: May 1, 1984

FILE NO: 006.2

TELEPHONE NO: 465-2800

FROM:  Harold Reynolds, Jr., Commissioner  
Department of Education

SUBJECT: SB 400      MAY 1 1984

This is to confirm earlier conversations of this date between members of our respective staffs. The Department of Education is not contemplating any amendments to the regulations governing Pupil Transportation, 4 AAC 27.005-120. This includes the existing competitive proposal requirement, imposed at 4 AAC 27.085, which has definitely resulted in lower statewide pupil transportation costs. To that extent, the most important provision of SB 400, in our view, is the deletion of the three year limitation on the duration of pupil transportation contracts. Contracts of longer duration, say five years, can often provide for lower overall cost to the State because of the additional time for amortization of equipment cost.

Thank you for your assistance in this matter.

cc: Bill Thomson  
SB 400 File

CHAPTER 21.  
PUPIL AND PROPERTY ACCOUNTING  
Repealed. (5/10/78, Reg. 66)

CHAPTER 24.  
OPERATION OF STATE SCHOOLS

## Section

- 10. (Repealed)
- 20. (Repealed)
- 30. (Repealed)
- 50. (Repealed)

4 AAC 24.010. SUBMISSION OF PLANS RELATING TO THE ESTABLISHMENT, DISCONTINUANCE, OR CONSOLIDATION OF SCHOOLS. Repealed. (12/30/77, Reg. 64)

4 AAC 24.020. APPROVAL OF PLANS, APPLICATIONS. Repealed. (12/30/77, Reg. 64)

4 AAC 24.030. DEFINITIONS. Repealed. (12/30/77, Reg. 64)

4 AAC 24.050. PROCEDURE AND HEARING UPON NOTICE OF DISMISSAL OR NONRETENTION OF NONTENURED TEACHERS. Repealed. (12/30/77, Reg. 64)

CHAPTER 27.  
TRANSPORTATION OF PUPILS

## Section

- 5. Approval of transportation routes
- 10. Establishment of regular routes
- 20. Establishment of special education routes
- 25. Establishment of other conveyance routes
- 30. (Repealed)
- 31. In-lieu-of agreements
- 35. Hazardous routes
- 40. Modification and termination of approved routes
- 45. General provisions for regular and other conveyance routes, route extensions and in-lieu-of agreements
- 50. (Repealed)
- 55. Required transportation reports and documents
- 60. Reimbursement to districts
- 70. (Repealed)
- 75. Reimbursement for district-owned transportation vehicles
- 80. (Repealed)
- 85. Competitive pupil transportation proposals
- 90. (Repealed)
- 100. Contractor's duties
- 110. Supplementary publications pertaining to pupils
- 120. Definitions

4 AAC 27.005. APPROVAL OF TRANSPORTATION ROUTES. (a) In order to qualify for state reimbursement for pupil transportation, routes established by school districts must be approved by the commissioner.

(b) The commissioner may, in his discretion, determine the attendance center a pupil must attend if there are alternative attendance centers which are approximately equal in distance, or are otherwise reasonably accessible, from the point of pickup for that pupil. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

4 AAC 27.010. ESTABLISHMENT OF REGULAR ROUTES. (a) A regular pupil transportation route may be established by a school district if

(1) there are eight or more pupils who reside more than one and one-half miles from the attendance center to be served by the route; and

(2) the entire route is over regularly maintained roads, having at least a gravel surface, which are under the supervision and all-weather maintenance of the Alaska Department of Highways, a public utility district, a municipality, a borough service area, or any other agency supported by public funds; adequate turnaround space for transportation vehicles must be available on the route.

(b) A transportation route must be free from duplicate mileage unless

(1) the pickup point requiring the duplicate mileage serves at least three pupils and is at least one mile one way from the main route; or

(2) the pickup point requiring the duplicate mileage serves 15 or more pupils.

(c) Kindergarten pupils may be included in any regular pupil transportation route; however, special runs for transporting only kindergarten pupils to and from school will not be approved for state reimbursement. (In effect before 7/28/59; am 2/64, Reg. 20; am 3/8/66, Reg. 24; am 10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

**4 AAC 27.020. ESTABLISHMENT OF SPECIAL EDUCATION ROUTES.** (a) Special education pupils must be transported in accordance with the provisions of AS 14.30.347.

(b) When special education pupils must be transported separately, school districts may establish separate special education routes, subject to approval of the commissioner. A school district may establish separate special education routes for pupils when the district has determined that it is in the pupil's best interest to be transported separately, based on the recommendation of each pupil's child study team established under 4 AAC 33.020(g). These special education routes must meet the following conditions:

(1) the route must serve at least five special education pupils;

(2) the criteria set forth in sec. 10(a)(2) of this chapter must be met; and

(3) the time in transit for any one pupil may not exceed a total of 120 minutes per day unless permission is obtained from the pupil's parents or guardian.

(c) Special education routes are not subject to the one and one-half mile restriction established under sec. 10(a)(1) of this chapter for purposes of state reimbursement. However, state reimbursement will only be made for transportation to and from the pupils' residences and their attendance center or special education attendance center.

(d) Special education routes are not subject to the one and one-half mile restriction established under sec. 10(a)(1) of this chapter for the purpose of redistribution of school enrollments between attendance centers.

(e) It is recognized that some special education routes may require the assignment of an aide to the driver. Subject to approval by the commissioner, fees paid for services of these aides may be included as part of the reimbursable costs of the route.

(f) Subject to approval of the commissioner, state reimbursement will be made for less than five special education pupils who require special transportation on an individual basis. This transportation may be provided by district-owned or contracted vehicles, public carrier, or by payment to parents in place of pupil transportation services, whichever is in the best interest of the pupil.

(g) Sec. 40(a) of this chapter does not apply to special education routes. (Eff. 11/66, Reg. 24; am 10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

Authority: AS 14.07.030 AS 14.09.010  
AS 14.07.060 AS 14.30.347

**4 AAC 27.025. ESTABLISHMENT OF OTHER CONVEYANCE ROUTES.** (a) Subject to approval of the commissioner, a school district may establish other conveyance routes

for pupils for whom a regular transportation route cannot be established under sec. 16(a)(2) of this chapter and for whom a conveyance other than a regular school bus, as defined in the department's Minimum Standards for Alaska School Buses, 1977 Revised Edition which is adopted by reference in sec. 110 of this chapter, may be utilized in transporting them to school.

(b) Another conveyance route may be established if

(1) it will serve at least eight pupils;

(2) the distance between the pickup point and the attendance center is at least one and one-half miles;

(3) the conveyance used passes semiannual safety inspections by appropriate regulatory agencies such as the Federal Aviation Agency, U.S. Coast Guard, or the Alaska Department of Public Safety; and

(4) all routes to be used are inspected and approved as safe by the district's chief administrative officer or his designee and by the respective governing school boards. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

**4 AAC 27.030. ROUTE REQUIREMENTS.**  
Repealed. (Eff. 9/14/77, Reg. 63)

**4 AAC 27.031. IN-LIEU-OF AGREEMENTS.**

(a) A district may, with approval of the commissioner, establish agreements with parents to provide reimbursement for transporting their children to the nearest attendance center or bus pickup in place of extending an existing route or establishing a new route.

(b) The following limitations apply to in-lieu-of agreements entered under (a) of this section:

(1) unless the child is handicapped, the pupil's residence must be more than one and one-half miles from both the nearest regular bus route and his attendance center;

(2) the per mile rate may not exceed the

maximum rate paid by the school district for the travel of its administrative employees when using their private vehicle for school business; and

(3) reimbursements must be based on the actual miles traveled and not the number of pupils transported. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

**4 AAC 27.035. HAZARDOUS ROUTES.** (a) Those routes within one and one-half miles of an attendance center which cannot be safely traveled by children because of traffic, weather, or other hazards may be designated by the governing body of the district as hazardous routes.

(b) A resolution by the governing body designating a hazardous route must state the nature and anticipated duration of the hazard. A hazardous-route designation applies only during the period the hazard exists and for a maximum of one school year.

(c) A hazardous-route designation must be approved by the commissioner before a district is entitled to any reimbursement for the costs of the route from the department. Applications for approval must be submitted on forms provided by the department.

(d) Subject to the availability of funds, the departments will reimburse a district for up to 50 percent of its costs for hazardous routes.

(e) Where hazardous-route pupils are transported as a part of approved routes, the cost of transportation applicable to the hazardous route will be established by the commissioner in consultation with the district. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

**4 AAC 27.040. MODIFICATION AND TERMINATION OF APPROVED ROUTES.** (a)

Subject to approval by the commissioner, school districts may extend an existing regular or other conveyance route if

(1) the extension will serve three or more pupils;

(2) the extension is more than one mile and one way from the existing route unless it will serve 15 or more pupils; and

(3) the extension is over regularly maintained roads as required under sec. 10(a)(2) of this chapter if it is to be added to a regular transportation route.

(b) The commissioner shall discontinue reimbursement funding:

(1) for an existing regular or other conveyance route, when only five or fewer pupils have been transported on that route for a period of two consecutive months;

(2) for route extensions, if the average number of students to be transported falls to two or less during two consecutive months; or

(3) for an existing special education route, when the number of special education pupils being transported on that route falls to three or less for a period of two consecutive months. (In effect before 7/28/59, am 10/8/66, Reg. 24; am 10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

**4 AAC 27.045. GENERAL PROVISIONS FOR REGULAR AND OTHER CONVEYANCE ROUTES, ROUTE EXTENSIONS AND IN-LIEU-OF AGREEMENTS.** (a) The maximum annual cost of transporting an individual pupil for which the department will reimburse a school district is nine times the average state-wide pupil transportation cost per pupil for the prior fiscal year.

(b) When the time in transit for any pupil exceeds a total of 120 minutes per day, a school district must either obtain permission from the pupil's parents or guardian for a longer ride or it must permit the parents or guardian to select other reasonable and available educational or transportation alternatives.

(c) The passenger capacity of a pupil

transportation vehicle is determined based on the manufacturer's rated capacity (13-inch seating space) for elementary school children (K-8) and two-thirds of the manufacturer's rated capacity for students in grades nine through twelve. In no circumstance may a school bus be loaded at more than 10 percent above capacity. Passengers may not be permitted to stand when the school bus is underway.

(d) Daily bus mileage for a route is determined based on the minimum mileage necessary to transport students to and from school. Reimbursement will not be made by the department for mileage from the garage to the beginning of the route or from the end of the route back to the garage.

(e) A district may request reimbursement for administrative costs in an amount not exceeding two percent of its total aggregate reimbursement for pupil transportation from the department, less any amounts received by the district or its contractors from pupils living less than one and one-half miles from the attendance center who ride a regularly scheduled route. The amount of reimbursement for administrative costs will be determined by the commissioner.

(f) Pupils living one and one-half miles or less from their attendance center may be carried on regularly scheduled transportation routes if a fare is established and the amount of the fare is deducted from state transportation funds provided for that route. In districts where contract bus services are used, the district may allow the contractor to collect the fare, providing a method of accounting and control is established that is satisfactory to the district and the department.

(g) If the number of pupils to be transported increases to where more or larger vehicles are necessary, the district may request an amendment to its agreement with the department to cover the added needs at the regular reimbursement rate. All such amendments must be approved by the commissioner in writing before a district is entitled to receive any additional reimbursement from the department above the maximum previously agreed to between the department

and the district. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030

AS 14.07.060

AS 14.09.010

**4 AAC 27.050. ADDITIONAL DISCRETIONARY POWERS.** Repealed. (Eff. 9/14/77, Reg. 63)

**4 AAC 27.055. REQUIRED TRANSPORTATION REPORTS AND DOCUMENTS.** (a) Each school district having a transportation agreement with the department shall submit the following reports to the commissioner and at the time specified:

(1) **School Transportation Report**, form 05-132-18. Three copies are to be submitted monthly. This report is the basis for determining the transportation reimbursement from the department.

(2) **District Statement of Operations**, form 05-135-18 (Revised). School districts which operate transportation routes directly shall submit three copies of this report following the close of the year. Final payment will not be made by the department until this form has been submitted.

(3) **Commercial School Bus Contractor's Statement of Operations**, form 05-194-182/77. When transportation is furnished to a district by a commercial contractor, the contractor shall submit three copies of this report to the school district following the close of the school year, but no later than August 20. This report must be reviewed and approved by the district and then submitted to the department. Reports from contractors receiving over \$250,000 per school year from a school district must be certified as correct by a certified public accountant. The following September payments by the department to the district will not be made until this form has been submitted.

(b) Each school district having a transportation agreement with the department shall retain the following documents and keep them available for field audit by the department for a period of at least three years following the close of the school year to which the documents relate. These documents are not to be sent to the department unless specifically requested by

the commissioner:

(1) **Bus Time and Mileage Schedules**, form 0513718 with addendum **Route Maps**. These forms must be completed and retained for each route and whenever a new route is established or an old route is extended, whether the district operates the transportation directly or the transportation is furnished by a commercial contractor;

(2) various transportation contractor forms and documents which must be submitted to the school district by the contractor

(A) certificate of insurance from an insurance company authorized to do business in the state covering all vehicles to be operated under the contractor's existing contract with the district; the insurance coverage must satisfy the minimum requirements of sec. 100(a)(1) of this chapter;

(B) completed **School Bus Inspection Reports** certifying that all buses passed inspections by the Alaska Department of Public Safety before the first day of school and January 15 of each school year;

(C) a copy of the contractor's Alaska Business License showing that the contractor was licensed to do business in the State of Alaska at the beginning of each contract year;

(D) a certification from the contractor that all drivers under his supervision were in possession of a valid Alaska Bus Drivers Permit before they transported any children;

(3) reports of all transportation vehicle accidents on forms provided by the Alaska Department of Public Safety.

(c) Districts may withhold payments to contractors who fail to provide them with required forms or documents. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.060

AS 14.09.010

**4 AAC 27.060. REIMBURSEMENT TO DISTRICTS.** (a) Subject to the availability of funds, districts will be reimbursed for the cost of all approved regular routes, special education

routes, other conveyance routes and in-lieu-of agreements. A transportation reimbursement agreement setting out the approved route mileage, the rate of reimbursement, and other terms and conditions of reimbursement to the district will be issued by the department. Costs submitted for reimbursement which are in excess of the maximum reimbursement provided for in the agreement will not be reimbursed by the department unless the additional costs have been approved, in advance and in writing, by the department.

(b) Reimbursement for transportation costs under (a) of this section will be reduced by

(1) sixty percent of the contracted mileage rate for the number of miles a regular route is shortened due to a reduction in the number of pickup points;

(2) sixty percent of the contracted mileage rate for a route which is discontinued under 4 AAC 27.040 (b); reimbursement under this paragraph will only be made for the remainder of the school year in which the route is discontinued;

(3) fifty percent for regular, special education, and other conveyance routes on those days for which no transportation is provided due to either school closure or staff in-service days approved by the commissioner. Reimbursement may not be claimed by districts for closures due to teachers conferences, local, or legal holidays; and

(4) the full amount payable for route extensions made under 4 AAC 27.040 which are terminated or temporarily suspended by the district due to road conditions.

(c) Subject to the availability of funds, reimbursements for authorized extensions to existing routes made under 4 AAC 27.040 will be computed at 60 percent of the original contract price per mile for that route.

(d) Reimbursements for transportation of students by parents under in-lieu-of agreements established pursuant to 4 AAC 27.031 will only be made for those days of school for which transportation was actually provided. (In effect before 7/28/59; am 10/8/66, Reg. 24; am

10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

Authority: AS 14.07.060  
AS 14.09.010

4 AAC 27.070. REIMBURSEMENT FOR CAPITAL EXPENDITURE. Repealed 9/14/77.

4 AAC 27.075. REIMBURSEMENT FOR DISTRICT OWNED TRANSPORTATION VEHICLES. (a) The purchase of pupil transportation vehicles by a district must receive prior approval from the commissioner if reimbursement for the purchase from the department is desired.

(b) Subject to availability of funds, approved purchases by a district of pupil transportation vehicles will be reimbursed at up to 90 percent of the total price of each vehicle. Reimbursement will be paid as follows:

(1) first year of ownership, 20% of purchase price;

(2) second year of ownership, 15% of purchase price;

(3) third year of ownership, 12.5% of purchase price;

(4) fourth year of ownership, 12.5% of purchase price;

(5) fifth year of ownership, 10% of purchase price;

(6) sixth year of ownership, 10% of purchase price;

(7) seventh year of ownership, 10% of purchase price.

(c) All claims for capital expenditures must be documented. (Eff. 9/14/77, Reg. 63)

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

4 AAC 27.080. INVITATION TO PROPOSE. Repealed 9/14/77.

4 AAC 27.085. COMPETITIVE PUPIL

proposal specifications which would materially affect proposals before district action under (e) of this section even though the proposer was entitled to notice of changes under (c) of this section.

(6) The district shall notify all other proposers, in writing, of its receipt of the petition. The district school board shall decide the scope and form the reconsideration will take, except that the district school board shall provide the proposer bringing the petition an opportunity to make an oral presentation to the board. The board shall either affirm the district's previous certification or certify the proposal as responsive.

(f) The following are the procedures a district shall use in choosing the proposer to whom it intends to award the contract:

(1) After proposals have been certified and petitions for reconsideration have been decided, the district school board shall offer the contract only to a proposer whose proposal has been certified as responsive under 4 AAC 27.085 (e), and shall offer the contract either

(A) to the proposer whose responsive proposal contains the lowest dollar amount; or

(B) to a proposer whose responsive proposal is within five percent of the responsive proposal with the lowest dollar amount if the proposer agrees to match the responsive proposal with the lowest dollar amount and the board determines that the offer to other than the low proposer is in the best interest of the district.

(2) The district school board may reject all responsive proposals if, in its judgment, the proposals are too costly. In that instance, the board must comply with (a) - (e) of this section, except that the public opening of proposals must take place within 45 days after the day the district school board rejects all proposals. The provisions of (g) of this section do not apply when all certified proposals have been rejected. The contract is not final until approved by the commissioner under (h) of this section.

(g) Within five working days following the

district school board's offering a contract, a proposer whose responsive proposal was not accepted may petition the board, in writing, for reconsideration of its action. Petitions for reconsideration are limited to the following grounds, which must be specified: (1) fraud or duress by the district school board or a proposer; or (2) error of the district school board in calculating dollar amounts. The aggrieved proposer shall deliver the petition to all other proposers. The district school board shall decide the scope and form the reconsideration will take, except that all responsive proposers must be given the opportunity to be heard on the petition.

(h) After district school board action to offer a transportation contract, and following any board actions on petitions for reconsideration by proposers, the district school board shall forward a copy of the proposed contract, successful proposal, and minutes containing board actions to the commissioner. These documents must be forwarded no later than April 2. The commissioner may require justification of rates. The commissioner shall act within 15 days after receipt. Upon approval by the commissioner, the district school board may award the contract. As a condition of his approval, the commissioner may require a performance bond of the contractor. If a bond is required by the commissioner, the cost of the commissioner's required bond will be reimbursed by the department over the life of the contract.

(i) All proposals with the names of the proposers and the amounts of the proposals, together with all documents submitted to the school district board for consideration in awarding the contract, must be kept on file by the district for at least three years after the close of the school year to which they relate. These records must be open to public inspection during normal business hours. (Eff. 9/14/77, Reg. 63; am 1/16/82, Reg. 81)

Authority: AS 14.07.030 AS 14.09.010  
AS 14.07.060 AS 37.05.230(4)

**TRANSPORTATION PROPOSALS.** (a) All contracts for pupil transportation awarded by a district school board must be based on the competitive proposal process specified in this section. A request for proposals must be approved by the commissioner before its publication and must contain the following:

(1) a general description of the required service areas; number, size, and age limitation of buses required; approximate mileage to be run; and approximate number of students to be transported;

(2) the criteria the district school board will apply in determining certification of proposals;

(3) a statement that the contract is governed by this chapter;

(4) the time and place of the preproposal conference required by 4 AAC 27.085 (e); and

(5) a statement that the district school board will require or will waive a performance bond; if the district school board requires a bond, the statement must include the amount of the bond.

(b) A district shall request proposals by publication in a newspaper calculated to reach prospective proposers, by posting notices in public places within the area where the service is to be performed, and by mailing notices to all prospective proposers known to the district. The first solicitation for proposals must be made at least 30 days before the scheduled proposal opening.

(c) A district shall convene a pre-proposal conference at least 15 days before the scheduled proposal opening. The district shall immediately advise in writing all prospective proposers who formally requested the request for proposals or who attended the pre-proposal conference of any changes to the request for proposals which are made at or as a result of the pre-proposal conference.

(d) A proposer seeking to contract with a district school board shall submit a sealed proposal. The proposal must include price and financial, operation, equipment, and other information required by the proposal invitation, demonstrating that the proposer has the ability to perform the contract.

(e) The following are the procedures a district shall use in certification process:

(1) All proposals must be opened in public at the hour and place stated in the invitation for proposals on or before January 15. Proposals must be reviewed by the district for conformity with the request for proposals, including proposal specifications, terms of delivery of transportation services, and other conditions imposed by the request for proposals. Following that review, the district shall certify each proposal as either responsive or nonresponsive.

(2) The district shall certify a proposal as nonresponsive if

(A) it does not materially conform to the request for proposals; or

(B) it contains a material alteration or erasure which has not been initialed by the proposer; or

(C) the proposer omits or is unwilling to provide services specified in the request for proposals.

(3) The district may certify a proposal as nonresponsive if

(A) the proposer failed to render substantial performance of a pupil transportation contract with any school district in the state within the previous three years; or

(B) the district cannot assure itself that the proposer will provide the specified service.

(4) The district shall state its reasons for certifying a proposal as nonresponsive.

(5) Within three working days following receipt of notification of certification of proposals, a proposer whose proposal was certified as nonresponsive may petition the board in writing for reconsideration. The petition must state facts showing that

(A) the district erred in certifying a proposal as nonresponsive; or

(B) the district failed to notify the aggrieved proposer of changes in request for

4 AAC 27.090. PROPOSALS BY CONTRACTORS. Repealed. (Eff. 9/14/77, Reg. 63)

4 AAC 27.100. CONTRACTOR'S DUTIES. (a) As conditions of the contract and in addition to any other requirements set out between the school district and the contractor, the contractor must

(1) secure and maintain in effect during the life of the contract liability insurance coverage of not less than one million dollars combined single limit, including coverage for injury or death to passengers; districts may require higher limits of liability; the commissioner may approve minimum limits of liability of an amount less than one million dollars combined single limit until such coverage can reasonably be obtained by a contractor; approval of lower limits must be requested by a letter from the district superintendent to the commissioner; as evidence of coverage, the operator must provide the district with a certificate of insurance which provides a minimum of 60 days' advance written notice to the district of cancellation or material change in the policy; the district may require the operator to name the district and the state as additional insureds under the policy;

(2) hold the district and the state harmless for any claim, suit, or judgment arising out of the operation of pupil transportation vehicles or any other performance of the contract by the contractor; the contractor must indemnify and defend the district and the state for any and all claims arising out of its performance of the contract;

(3) provide for regular twice-yearly safety inspections of all vehicles transporting pupils as required by the Alaska Department of Public Safety;

(4) hold a State of Alaska business license as required by AS 43.70;

(5) assure that all drivers are licensed as required by AS 28.15.130;

(6) if required by the district or the commissioner, provide a performance bond in the amount of the cost of the first year's portion of the contract.

(b) The district shall require, as a term of all transportation contracts, that the contractor comply with the applicable provisions of this chapter. (In effect before 7/28/59; am 10/8/66, Reg. 24; am 10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

Authority: AS 14.07.030

AS 14.07.060

AS 14.09.010

4 AAC 27.110. SUPPLEMENTARY PUBLICATIONS PERTAINING TO PUPIL TRANSPORTATION. The following handbooks are adopted by reference as the minimum standards for school buses in Alaska:

(1) For school buses manufactured before January 2, 1982

(A) Minimum Standards for School Buses, 1970 Edition, published by the National Commission of Safety Education, National Education Association, 1201 16th Street, N.W., Washington, D.C. 20036; and

(B) Minimum Standards for Alaska School Buses, Third Edition (Revised), 1980, published by the department.

(2) For school buses manufactured after January 1, 1982

(A) National Minimum Standards for School Buses, 1980 Edition, published by the National Safety Council, 444 North Michigan Avenue, Chicago, Illinois 60611; and

(B) Minimum Standards for Alaska School Buses Manufactured after January 1, 1982, 1981 Edition, published by the department. (In effect before 7/28/59; am 10/8/66, Reg. 24; am 10/14/68, Reg. 27; am 5/30/71, Reg. 38; am 9/14/77, Reg. 63; am 11/14/80, Reg. 76; am 12/23/81, Reg. 80)

Authority: AS 14.07.030

AS 14.07.060

AS 14.09.010

Editor's Note: The above publications are available from the Department of Education, Pouch F, Alaska Office Building, Juneau, Alaska 99811.

4 AAC 27.120. DEFINITIONS. (a) As used in this chapter and AS 14.09, unless the context requires otherwise

walk to the location while not crossing private property without the permission of the property owner. (Eff. 5/30/71, Reg. 38; am 9/14/77, Reg. 63)

(1) "attendance center" means a school within a district to which a pupil is to be transported for classes;

Authority: AS 14.07.030  
AS 14.07.060  
AS 14.09.010

(2) "bus route" or "route" means the shortest distance necessary to transport a given group of pupils to and from a pickup point nearest their homes and their regular attendance center, but does not include the distance from where a transportation vehicle is garaged to the start of its route;

(3) "commissioner" means the commissioner of the Department of Education or his designee;

(4) "garage" means the location used by a district or contractor to store, park, maintain, or dispatch a pupil transportation vehicle;

(5) "other conveyance" means any type of transportation vehicle used to transport pupils other than a regular school bus, and includes, but is not limited to, aircraft, boats, snowmobiles, air cushion vehicles (ACV's), all-terrain vehicles (ATV's), low ground-pressure vehicles, tracked vehicles, and railroads of all gauges;

(6) "pupil" means a person eligible under the laws of Alaska for free public education and who is attending school;

(7) "route extension" means those miles which are added to an established bus route after the first two weeks of school and which do not require the addition of another transportation vehicle; route extensions apply only during the school year in which they were established;

(8) "school district" or "district" includes borough and city school districts and regional educational attendance areas.

(b) In determining whether a student resides at least a specified distance from his attendance center or nearest transportation route pickup point, the distance to be measured is the shortest route by which a student could actually

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

2/2/84

Date April 16, 1984

Mr. President

The Committee on HESS considered SB 400

relating to pupil transportation contracts; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT" ~~NEW FISCAL NOTE~~  
NO
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Rich Halford*

*V. J. ...*

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MEMBERS HAVING  
OTHER RECOMMENDATIONS

*2 Rich Halford NO REC*

*2 Peggy ... NO REC*

*2 Paul ... NO REC*

\_\_\_\_\_

\_\_\_\_\_

*Joe Josephson*

Chairman

Chairman recommendation