

Public Contracting Cost analysis for Projects over \$250,000 Central Point School District No. 6

District's Estimate to Perform Services	District's Estimate to Contract the Services	
District Costs to perform the services: ORS § 279B.033(1)(a) and OAR 137-047-0250(5)(b)	Estimated cost a contractor would incur: ORS § 279B.033(1)(b) and OAR 137-047-0250(5)(c)	
Salary or wage and benefit costs:	Average or actual salary or wage and benefit costs for contractors and employees who:	The district cannot determine contractor's wage and benefit programs until RFP's have been received. We anticipate a contractor to pay a competitive wage relative to the services offered. Contractors have economies of scale for reduced health benefit costs. Due to this lack of information we are using the assumption that the cost will be equal to that of the District
Drivers salaries-regular	\$445,189.00	
Drivers salaries- SPED	\$105,229.00	
Substitutes salaries	\$ 75,000.00	
Employee benefits	\$638,352.00	
Mechanics salaries	\$ 93,135.00	
Employee benefits	\$ 58,519.00	
Supervisor/office salaries	\$ 83,983.00	
Employee benefits	\$56,328.00	
Total	\$1,555,735.00	\$1,555,735.00
Material costs:	Material costs	Contractors buy parts and supplies 5% to 10% less.
Utilities for bus barn	\$ 22,400.00	
Office operations(copy machine, supplies, repairs)	\$ 5,250.00	
Driver supplies, meals testing	\$ 10,500.00	Contractors (depending on size) have management efficiencies and economies of scale for safety programs, maintenance programs, training programs.
Communication system lease	\$ 2,400.00	
Insurance-property and buses	\$ 55,000.00	
Contractor fees- non reimbursable travel	\$ 18,000.00	Because we cannot estimate the exact cost of the materials for a contractor until we get actual numbers we are using the assumption that the cost will be equal to that of the District.
Bus repairs and maintenance	\$171,000.00	
Fuel and oil and tires	\$234,000.00	
Bus garage dues and fees	\$ 500.00	
Total	\$519,050.00	\$519,050.00
costs related to stopping and dismantling a project or operation	Miscellaneous costs	
Costs incurred in planning for, training for, starting up	Anything Not included in	

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	<p>the Above: A Contracting Agency may consider other reliable information that bears on the costs a potential Contractor would incur.</p>	
<p>Profit Incurred by the Contractor:</p>		
<p>Miscellaneous costs : The District Currently has 28 route buses, 3 spare/trip buses, 8 SPED buses and 1 activity bus. 28 of these are over 10 years old with 8 over 20 years old. (see the attached analysis) The District believes that these buses need to be replaced in order to have a viable fleet. The District has replaced buses in the past using a lease purchase option that spreads the payments over 5 years. Using 2010 rates the cost of replacing all busses would be \$566,254 per year. If we then subtract the depreciation that we would receive through the State School Funds of approx. \$183,400 the net cost to the District would be \$382,854 for 5 years.</p>	<p align="right">\$382,854</p>	
<p>COST OF BUS REPLACEMENT FOR ONE YEAR NET OF DEPRECIATION</p>		
<p>Anything not included in the above: A Contracting Agency may consider other reliable information that bears on the cost to the Contracting Agency of performing the Services.</p>		
<p>TOTAL</p>	<p align="right">\$2,457,639</p>	<p align="right">\$2,074,785.00</p>
<p>After comparing the difference between the costs estimated for the Contracting Agency to perform the Services and the estimated costs a potential Contractor would incur in performing the Services under section the Contracting Agency may proceed with the Procurement only if the Contracting Agency would incur more cost in performing the Services with the agency's own personnel and resources than it would incur in procuring the</p>		

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Services from a Contractor.

Exception Based on Salaries or Wages and Benefits. If the sole reason that the costs estimated for the Contracting Agency to perform the Services under section (5)(b) exceed the estimated costs a potential Contractor would incur in performing the Services under section (5)(c) is because the average or actual salary or wage and benefit costs for Contractors and their employees estimated under subsection (5)(c)(A) are lower than the salary or wage and benefit costs for employees of the Contracting Agency under subsection (5)(b)(A), then the Contracting Agency may not proceed with the Procurement.

Conclusion:

The District feels that after the above analysis as required by HB2867 that the District could save money by contracting. The administration recommends that the Board of Directors begins the process of asking for proposals from transportation contractors to provide transportation services for Central Point District No. 6 beginning with the 2011-2012 school year.