

# A District's Guidebook to School Bus Purchasing in Ohio



Provided by the Ohio Department of Education  
Office of School Finance and Accountability, Pupil Transportation Section  
AUGUST 2002



<b>Introduction</b> .....	3
<b>Bus Purchase Timeline</b> .....	3
<b>Phase I: Needs Analysis and Funding Assessment</b> .....	3
Needs Analysis .....	3
Vehicle Capacity .....	3
Vehicle Type .....	4
Engine size .....	4
Special equipment .....	4
Special Delivery dates .....	4
Funding assessment.....	5
Public Buses .....	5
Nonpublic/Handicap Buses.....	5
Replacement Buses .....	5
Additional Buses .....	5
Calamity Buses.....	5
Wheelchair Lift .....	6
<b>Phase II: Bidding Process</b> .....	6
Specifications .....	6
Bid Packet .....	6
Legal Ad.....	6
Bid Opening .....	6
Bid Analysis .....	7
<b>Phase III: Purchasing and Delivery</b> .....	7
Purchase Contract.....	7
Vehicle Delivery & Acceptance.....	7
Payment and Title Transfer .....	8
Inspection, Licensing, Insurance.....	8
Special Considerations .....	8
Contract Transportation and bus ownership.....	8
Used buses.....	8
Combination/Cooperative purchasing bids .....	8
Urgent Necessity .....	9
<b>References</b> .....	9
<b>Forms</b> .....	9
<b>Bus Purchase Checklist</b> .....	10

# Introduction

*This booklet is a guide to assist districts in the school bus purchasing process.*

The Ohio Department of Education (ODE) has a school bus purchasing system that places the option and task of purchasing buses with the local educational agency. The documentation provided will guide districts through the process from start to finish. A bus purchase checklist is provided at the end of the publication to help track your progress during the actual process.

## Bus Purchase Timeline

The typical time from purchase decision to bus delivery is nine months—circumstances may cause a variation in either direction. For example, if the purchase order is cut in the fall the vehicle construction time will include December and January, typically resulting in additional production time due to factory shutdowns. Conversely, if the district’s needs match common specifications, it is possible to purchase demo units in stock with Ohio dealers. This can eliminate the production time and reduce delivery time for a new school bus to two months from the time of purchase.

This booklet is divided into three phases in the bus purchasing process;

- Phase I: analyzing your needs and assessing available funding;
- Phase II: the bidding process; and
- Phase III: purchasing and delivery.

## Phase I: Needs Analysis and Funding Assessment

### Needs Analysis

The first step in buying a bus is to determine what will best meet the needs of the district. Factors to consider include:

- Capacity;
- Vehicle type;
- Engine size;
- Special equipment;
- Specific date needed.

### Vehicle Capacity

Capacity	Advantages	Disadvantages
LARGE BUS <i>(up to 84 passengers)</i>	More students transported with one driver	Higher student-to-driver ratio
	Good for large routes and field trips	More difficult to maneuver
		An equally large bus is required in the event of a breakdown
SMALL BUS <i>(down to 15 passengers)</i>	Lower initial cost	Not compatible with large routes or sizeable field trips
	Easy to maneuver	More buses and drivers needed to accommodate large number of students
	More appropriate for door-to-door and driveway stops	

## **Vehicle Type**

There are two basic model choices.

- 1) **Conventional** buses have served well for many years. Often, this is the easiest bus for mechanics to service, and the most familiar to drivers with its classic position of the front wheels in front of the driver, and the engine compartment and hood in front of the windshield.
- 2) **Transit style** buses are becoming more popular. Although they tend to cost slightly more, a transit bus built on the same length wheelbase as a conventional bus will have a larger seating capacity.

Transits also can be built on shorter wheelbases, which are more maneuverable. Another advantage of the transit is the increased field of vision in the front of the bus, which is critical in the process of monitoring students as they get on and off the bus.

Transits are designed in two types — *rear engine* and *front engine*.

The *rear engine* bus will be the most expensive, but provides the most unobstructed entranceway and a more comfortable environment for the driver as engine heat and noise are significantly reduced in the driver's compartment. A notable characteristic of a rear engine bus is the absence of a rear emergency door. Emergency exits are located instead on the side of the bus, which affects seating capacity.

## **Engine size**

In most cases, manufacturers build their buses with engines that meet standard needs. Engines that are more powerful may be appropriate in districts that have aggressive terrain, or routes that are mostly highway. Most often, a larger engine that does not have to work as hard will last longer with less maintenance than a smaller engine that operates at its maximum capacity. Manufacturers will describe engine power in either horsepower or torque ratings. When increasing the size of an engine, it is not uncommon for the design capacity of the transmission also to be increased. Manufacturers will match appropriate transmissions to the engine bid as specified by their engineering staff. When requesting specific engines and transmissions, it is important to verify the compatibility of the equipment specified before entering the bidding process.

## **Special equipment**

Additional features such as wheelchair lifts, am/fm radios, public address systems, luggage compartments, flat floor configurations, reflective marking packages, tinted windows, extra high headroom and low profile tires also are available. Districts with special needs should work closely with vendors to determine what options are available. Not all vendors will offer all options, complicating the bid analysis process.

Two-way radios are required on all special education buses, and optional on other buses. Bus companies can offer this equipment, however most districts purchase and install these locally from their communications company.

## **Special Delivery dates**

An unexpected increase in special education enrollments, additional students using wheelchairs or a catastrophic loss of an existing bus are some cases that may require a speedy purchase process. In these cases, it is possible to purchase a pre-built bus that a dealer has in stock. These buses may need very little modification to be viable for a district.

The best solution to matching needs with bus styles is to meet with several vendors before publishing specifications—present the district's needs and ask what options and vehicle configurations are available. Working with the vendors will help to ensure that you receive multiple bids that comply with the specifications that you develop.

## **Funding assessment**

### **Public Buses**

Every district that transports students and files a T-1 transportation form receives funding from ODE for public school bus purchase. The amount of funding provided is based on factors that include the number of students who ride the buses, fleet miles, relative wealth of the district and a rough road factor.

Following the calculation, a one-time annual disbursement is made to all eligible districts. Funds received from this program can be used only to purchase school buses or contracted school bus services. The intent of this funding item is to assist districts with bus purchase; the funding is not intended to provide districts with 100 percent of the funding needed to purchase all of the buses required to transport their public school students.

Analysis of statewide spending patterns indicates that, on average, districts are matching the payment provided by the state for bus purchasing with an equal amount of local funding. This has resulted in an average Ohio bus lifespan of 17 years.

### **Nonpublic/Handicap Buses**

ODE processes a special budgetary line item dedicated to the purchase of buses used for nonpublic students and/or students with special needs. The disbursement of these funds is based upon a prioritization of district needs. The amount paid per bus is 100 percent of the net cost of a school bus that conforms to Ohio minimum specifications. Districts may order optional equipment and extra features on these vehicles, but the amount of payment provided by ODE will remain at the net cost rate determined for that fiscal year.

Buses purchased by districts under this program may not be sold or traded without first contacting ODE. The department reserves the right to reassign these vehicles based upon need. In lieu of reassignment, the district may be given permission to trade or sell the vehicle, but all proceeds received will be deducted from future financial assistance with bus purchasing.

### **Replacement Buses**

On an annual basis, districts with buses funded at 100 percent are asked to submit a T-100 report that reports the age, mileage and condition of each funded bus. The data from this report is entered into the state vehicle inventory system for analysis.

Approval for replacement buses is then made based upon prioritized need. Factors considered include the age, mileage and condition of the vehicles.

Approval for replacement is based upon specific vehicles. Area coordinators will notify school districts in writing of approval to replace a particular bus. Upon receipt of this approval, the district should initiate their regular school bus purchase process, including bidding and all other aspects. After the bus is delivered and payment has been made, the district should complete a T-4 cost certification and submit it to ODE.

Districts should be careful not to dispose of funded buses without approval for replacement from ODE. Doing so results in the loss of a funded bus. Once a funded bus is no longer owned by the district, it is removed from the inventory and cannot be considered for replacement.

Occasionally districts choose to keep their old bus when a replacement is approved and received. This is permissible providing the trade-in value for that vehicle is deducted from the net cost of the new bus. Additionally, the funding code on the old bus is changed to indicate that it is no longer funded by the state.

### **Additional Buses**

When districts have an increase in either nonpublic students or special needs students that requires an additional bus, they should contact their area coordinator and request a review for consideration of an additional funded bus.

### **Calamity Buses**

Districts that suffer a total loss of a funded vehicle may apply to ODE for calamity assistance. The district should first negotiate with the insurance carrier to get settlement on the damages. ODE staff will then consider supplying purchasing assistance to replace the bus, less any insurance settlement. This is based upon the existence of available funding.

## **Wheelchair Lifts**

Districts may apply for funding assistance for the installation of a wheelchair lift in buses that are less than five years old.

## **Phase II: Bidding Process**

### ***Specifications***

A good bid specification is one that can be met by several manufacturers, one that is easily understood and one that will attract multiple bidders.

All buses sold and delivered in Ohio must meet federal and Ohio construction standards. The Ohio standards are part of the Ohio Administrative Code (OAC), under the authority of the Ohio State Highway Patrol. These standards can be downloaded from the Ohio Department of Education Pupil Transportation website.\* The Ohio standards are relatively detailed, and have been developed with the goal of designing a bus that will work for any school district in the state, meeting all the basic needs. Buses that meet all Ohio standards will meet federal standards by default.

Many districts have unique items that they choose to add to their vehicles to meet local needs. These items are considered options, and may be purchased providing that they are listed as approved in the Ohio Construction Standards. Items that are not listed in the standards are not approved for purchase or installation on an Ohio school bus. New items may be considered through a testing process by application to the Ohio State Highway Patrol.

Items listed in federal or state specifications need not be reiterated in a district specification. The only items that need to be listed in detail are district-specific items.

### ***Bid Packet***

Bid packets should be prepared before releasing your legal ad. Include in your packet:

- Bid instructions** should include contact names, directions for mailing or submitting bid, special delivery instructions, payment terms, bid bond instructions, pre-delivery instructions, and any rights and privileges you guarantee yourself.
- Chassis specifications** with compliance check sheet
- Body specifications** with compliance check sheet
- State bid form**

Although the legal requirement for notification of vendors is served by placing a legal ad, the only certain way to get your bid packet to vendors within the bid period is to mail to dealers directly.

### ***Legal Ad***

An advertisement for bids must be placed in a newspaper of general circulation for a period of two consecutive weeks, no later than 15 days prior to the date specified by the board for receiving bids.

The majority of dealers and vendors subscribe to clipping services and rely upon their notification of these ads. The two-week period is commonly too short for all vendors to receive notice of the open bid. It is advisable to notify directly any vendors to whom you want to submit bids, to allow them enough time to work with their manufacturers to respond effectively to the details listed in your bid specifications.

### ***Bid Opening***

Bids must be opened at the time and place specified in the ad. Bids should not be accepted or changed after the time of the opening.

---

\* See Reference section for link

## ***Bid Analysis***

When evaluating bids, the requirement is to determine the lowest, but most responsible bid. Carefully evaluate if the bidding instructions were followed, if all the requested options have been identified and supplied, and whether the delivery terms requested (if any) were met. Bids may be submitted with exceptions noted. These exceptions must be carefully evaluated to determine if they provide a price advantage for the vendor taking the exception. If they do, then a true bid comparison cannot be made between the competing vendors.

When analyzing responsible bids, consider:

- Quality of work previously done;
- Equipment and facilities;
- General ability and capacity to fulfill the bid;
- Competence, integrity, and judgment (Baker, Section 6.25).

The following procedures are identified in the Ohio Revised Code (ORC) 3313.46:

- In the event two bids are equal and lower than any other bids, either may be accepted, but the work cannot be divided between the two bidders;
- If there is reason to believe that there is collusion or combination among the bidders, the bids of those concerned shall be rejected.

Vendors may ask for a bid analysis that shows all prices of items bid.

## **Phase III: Purchasing and Delivery**

### ***Purchase Contract***

Following the bid analysis, you will need to issue the purchase order contract with the winning bidder.

Included in this contract should be a copy of the bid specifications and a definition of the payment terms and schedule to be used. It is advisable to establish payment procedures up front, in the event of incomplete filling of the bid.

### ***Vendor Notification***

It is important to notify the vendor who will receive the purchase contract as soon as possible. In nearly all cases, the vendor will not initiate a build order with their factory until they have received their purchase order contract from you. Regular communication with the vendor at this point will help you to plan on the anticipated delivery date of the vehicle ordered.

### ***Vehicle Delivery & Acceptance***

Someone who is familiar with the local and state specifications should inspect the vehicle immediately upon delivery. Make certain that all specifications have been met and that there are no defects or missing items. In the event of a problem, immediately contact your vendor for resolution.

The district must then determine if all local terms and conditions have been met, and decide whether payment should be released to obtain the title.

Some districts have stipulated that payment will be made after state patrol inspection. This practice is problematic. The inspection that the MVI team performs is a safety inspection only, making certain all Ohio specifications are met and that the bus is safe to operate. They will not check for the inclusion of local options. Their inspection should not be used as a basis for payment to the vehicle seller. An additional difficulty with this plan is that the MVI team will not inspect any bus that is not properly titled. Since titles are only conveyed after payment, in most cases the MVI team will not inspect the bus prior to payment.

## ***Payment and Title Transfer***

Title conveyance to the buyer is not due until payment is made. Some vendors have offered early title transfer in the past, but a pattern of slow or late payments has caused this practice to become less common.

Purchasers must have the correct title in hand prior to proceeding with a request for inspection by the state patrol.

## **Inspection, Licensing, Insurance**

Upon receipt of a new bus, the vehicle must be inspected carefully to ensure that:

- All specified items are included;
- Buses meet all state specifications;
- Buses are clean and in useable condition;
- Lettering and fleet numbers are correct.

Items needing additional scrutiny:

- Loose coolant hose connections;
- Loose fasteners on floor;
- Undercoating overspray;
- Glass condition;
- Mirror adjustment.

Following inspection by the vehicle owner, correction of any problems and receipt of the correct title, the MVI team should be contacted for a vehicle inspection. It is important to inform them that the inspection is for a new vehicle.

After the MVI team completes their inspection, they will fill out an HP-32 form to register the bus and apply for the school bus ID number. The bus can be operated for 30 days on a temporary basis until the ID number is assigned and the HP-32 form is returned to the district. The vehicle inspection document completed by the MVI team must be carried on the bus during this period.

Although the MVI team will fill out the HP-32 form, the district should verify that the information recorded is correct and the funding code is correctly designated. Incorrect funding codes can result in loss of future funding from ODE.

Districts must notify their insurance carrier upon receipt of a new bus as required by the terms of their fleet insurance. Many insurance carriers will not honor claims on new vehicles that have not been registered with the agent.

## ***Special Considerations***

### **Contract Transportation and bus ownership**

Districts that enter into contracts with licensed school bus contractors to provide pupil transportation service, and which sell their board-owned funded school buses are required to return 100 percent of the proceeds to ODE, or to make the buses available without charge to other school districts.

Districts that enter into these contracts should consider their options in regard to bus ownership. Districts may retain ownership of their buses and contract only for the management and operation of the vehicles, or districts may consider liquidating their fleet and allowing the contractor to provide the vehicles.

### **Used buses**

Funding approved for 100 percent buses may not be used to purchase buses that are over five years old, have over 65,000 miles for gasoline-powered engines or over 100,000 miles for diesel-powered engines.

The purchase of used buses should be considered carefully. International, a bus manufacturing company, has studied and documented the increased operating cost for vehicles with higher age and mileage. The purchase of an older bus may reduce initial capital investment, but will invariably result in higher maintenance costs.

### **Combination/Cooperative purchasing bids**

Districts that purchase through a consortium or cooperative system are exempt from bidding.



## **Urgent Necessity**

Based upon language in ORC 3313.46, districts may deviate from the bidding process in cases of urgent necessity.

If these conditions exist, the board may elect to forego the bidding process, and call for quotes from several known providers.

## **References**

Ohio Revised Code 3313.46 Bidding rules  
Ohio Revised Code 3327.08 Competitive bidding and centralized purchasing  
Ohio Revised Code 125.04 Cooperative purchase  
Ohio Revised Code 713.23 Regional planning commission purchase  
Ohio Administrative Code 3301-85-01 bus purchase rule  
Ohio Administrative Code 4501-05-01 through 4501-05-10  
Ohio State Highway Patrol School Bus Inspection Manual  
Baker 6.25 and 6.23  
[WWW.ODE.STATE.OH.US/school\\_finance/transportation/](http://WWW.ODE.STATE.OH.US/school_finance/transportation/)

## **Forms**

The T-100, T-14, and T-4 Bid form can be downloaded from the ODE transportation website. The T-4 will be sent to the district along with instructions when bus purchase/replacement is approved.

T-100 -----report of mileage, age and condition for 100 percent buses  
T-14 -----report of mileage, age and condition for MRDD buses  
T-4 Bid Form-- --vendors bid form  
T-4 -----district cost certification for funding claim

## Bus Purchase Checklist

- Establish vehicle needs
- (100 percent buses only) Receive approval to purchase
- Review specifications with multiple vendors
- Request permission to bid
- Develop bid package
  - Legal ad
  - Bid instructions
  - Body specifications
  - Chassis specifications
- Determine bid-opening date
- Place legal ad
- Notify vendors directly
- Public opening of bids
- Bid analysis
  - All required terms met
  - Bid bond/guarantee provided
  - Tax statement provided
  - Compare like items
- Determine 'lowest, most responsible bid'
- Recommend purchase to school board
- Issue purchase order
- Notify winning vendor
- Notify all other vendors
- Notify treasurer prior to delivery of vehicle
- Inspect vehicle
- Payment/title transfer
- Complete and submit T-4 for funding claim
- Notify insurance company
- MVI inspection
- Label bus with five-digit ID number