



Contract Provisions for a Balanced Contract

Vehicle Age

- No average age requirement.
- Set a maximum fleet age which can vary based on local market (e.g. high mileage routes).
- Spare vehicles excepted.

Standardized Requirements

- Under the auspices of the technical sub-committee of the Industry Committee, establish standardized requirements which should be defined in terms of service, performance and capacity.
- Standardize requirements, service levels and the format for route descriptions and rate adjustments across transportation consortia as much as possible.

Sale of Business and Transfer of Contract

- Permit the sale of businesses and transfer of contracts (Rights of Assign).

Length of Contract

- Align contract lengths to more closely reflect the allowable ages for the asset categories.

Change Notices

- **Change orders** to be negotiated and compensated for contract changes that materially affect assets or that result in reduced utilization of assets.
- Operators to be compensated at contract rate for adding service.
- 120 days notice for all service changes with the exception of minor changes to student pick up/drop offs or minor routing changes and which notice would require 48 hours.
- Vehicle size changes only if the operator is reasonably able to provide a different sized vehicle from its fleet.
- Regarding any route changes, the operator should be compensated for remainder of contract.

Compensation

- Fully compensate costs incurred to make assets available (rates should take into account all underlying costs in providing service).
- Any change during school year is considered a "change order" and the operator is to be compensated.
- Annual increases are not negotiated and determined by:
 - Fuel escalation/de-escalation clause.
 - Demonstrable costs which include new government fees, permits and taxes, vehicle costs and driver wages.

- GSN or Cost of Living adjustments (based on recognized inflation benchmarks) whichever is higher.

This to be accomplished through the use of a “Master” contract with schedules addressing each of the above and local markets. Ability to exit contract if new costs not negotiable.

- Kilometer calculation to be, for example, a double route or multi-route; for the AM record the odometer reading at the first school to be served. Go directly to the first stop, do the route and return to the first school to unload. Go directly to the first stop for Route 2, do the route and unload at the second school. Return directly to school 1 and record the odometer reading.
- Operator to be paid for each leg of a run including travel distance and driver time.
- Monitors/Attendants - Consortium to compensate operators from the time the Monitor/Attendant steps on the bus until she/he steps off the bus, and the cost of the driver going to pick up the monitor, and all time to and from route. Monitors/Attendants to be paid a minimum of 2 hours in the morning and 2 hours in the afternoon. (No employee to be paid less than 4 hours for any day’s activity as per the ESA). To cancel a Monitor/Attendant, the consortium must provide to the operator the minimum notice according to provincial Employment Standards Act.
- Waiting Time - Payment for waiting time per route to compensate the drivers, e.g. on a 2-hour delay due to fog, road conditions, construction (circumstances beyond driver or operator control).
- There is to be no reduction in compensation based on service cancellation beyond the control of the operator (e.g. inclement weather, labour disruption).
- There should be one rate for Type A vehicles and one rate for Type C vehicles, excluding wheelchair vehicles.
- Straight line depreciation for all vehicles, not rolling average and based on manufacturer’s price list.

Drivers

- Consortia, with operator input, to set minimum driver wage in contract, with 4 hours minimum for each single route and 5 hour minimum, daily, for each double route. As well, adjustments upward from this minimum, for either single or double routes, that require service windows in excess of these minimums.
- Drivers to be paid on a “full duty” basis. The contract should reflect the actual duty time of a driver and the total required days an operator must pay a driver, which includes statutory holidays, regulated benefits, and employer contributions, requisite training time, etc.

Publish Route Costs

- Publish information about rates being paid to all operators.

Operator Qualifications

- Establish operator qualifications that are common to consortia at the provincial level with operator input.
- That a schedule be attached to the contract outlining compliance management programs consistent across the province.

Fuel

- Escalator/de-escalator clause inputs are based on monthly actual retail prices in the region, without applying discounts.

Contract Cancellation

- The penalty for cancelling the contract is the same for both parties unless it is performance based.
- That reasonable notice and guidance be provided for corrective/rehabilitative measures by the operator, to correct any deficiencies in performance requirements, prior to cancellation for cause.
- Cancellation/termination of contract per “competitive” awarding limited to 10% of existing contract volume to avoid “stranded assets”.

Definitions

- Base rate, fixed rate, variable rate, dead-head and live miles must be defined and be the same across the province.

Safety inspections and Enforcement

- Enforcement and inspections - of vehicle and driver regulations as per Highway Traffic Act and D250 standards are sole responsibility of MTO.

Dispute Resolution

- Dispute Resolution - Any dispute in the interpretation of any clause to be resolved by binding arbitration at the request of either party. Establish an Arbitration Panel that is knowledgeable of the industry and therefore can provide consistent, fair and quick decisions.

Forced Employee Terminations

- When routes change and services of the operator provided driver and the Monitor/Attendant are not required, and the operator does not have alternative work, notice of such cancellation must be in accordance with the provincial Employment Standards Act requirements.
- Consortium cannot arbitrarily demand a driver be removed from a route.
- If consortium demand that a driver be terminated without just cause, the consortium is responsible for all costs arising from labour or human rights legislation.

Return to School of Students

- Operators are compensated for vehicles returning to their home school due to student behavior and or students not met by a parent: minimum \$60 per occurrence subject to annual CPI increases.

Efficiencies

- Operators will not be penalized for finding efficiencies (e.g. double routing).
- Notional efficiencies, such as reduced load size, do not result in “stranded assets”