



Northern Suburban  
Special Education District

TO: Executive Committee  
Governing Board

FROM: Alice Koshaba

VIA: Tim Thomas

DATE: April 15, 2009 (Updated)

RE: **Transportation Contract Extension**

Past contract rate extensions with Septran have ranged between 4.5% and 2.5% over the last six years.

For the upcoming school year, Septran initially proposed a two-year contract extension with a 5% increase in FY2010 and a 3.5% increase in FY2011, along with a fuel escalation clause set at the base wholesale fuel price of \$2.00 per gallon. If Septran's monthly fuel costs were to exceed the proposed \$2.00 per gallon base price by more than 25% (\$2.50 per gallon) the escalation clause would take effect.

Through negotiations, Septran has agreed to lower the FY2010 increase to 3.5% and to increase the base fuel price to \$2.50 (fuel cost would need to exceed \$3.125 per gallon for the escalation clause to apply). Although the amended rate and fuel price are acceptable, administration continues to negotiate both the overall increase (currently 3.5% for both years) and the fuel escalation clause base fuel price (currently \$2.50 per gallon).

Septran has agreed, through further negotiations, to reduce the second year rate increase to 2.5%.

**Recommendation:**

**Administration recommends acceptance of a two year renewal with Septran, including a 3.5% and 2.5% increase for FY2010 and FY2011, respectively, and a fuel escalator rate set at a 25% increase of the base fuel price of \$2.50 per gallon.**

ASK/m