

TRANSPAR PARTNERS WITH STATE OF HAWAII TO INCREASE VALUE, REDUCE COST OF SCHOOL TRANSPORTATION SERVICES

In one of the most successful turnaround efforts in its history, TransPar partnered with the Hawaii State Department of Education's (DOE) Student Transportation Services Branch to comprehensively reform its statewide school bus operations. This case study highlights significant milestones over the four-year project, known as Get On Board.

THE CHALLENGE: REIN IN HAWAII'S PUPIL TRANSPORTATION COSTS

In August 2012, after conducting a management audit of Hawaii's Student Transportation Services program, the State Auditor's Office published a highly critical report claiming that the DOE had lost control of its pupil transportation program, resulting in massive cost overruns.

"Quite frankly, it was all true," said James Kauhi, Student Transportation Services Branch Manager for Hawaii's Office of School Facilities and Support Services.

In the years before Get On Board, student transportation in Hawaii was inefficient and unsustainably expensive. Annual costs had nearly tripled to well over \$70 million from about \$25 million in the seven-year period leading up to 2012. The deficiencies noted in the auditor's report included lack of competitive bidding, inadequate management controls, limited staff expertise/training and outdated technology. Urgency was further heightened by a looming likelihood of legislative funding restrictions.

The DOE's initial response to the report was to cut buses, which resulted in an unacceptable degradation of service to the five islands and 40,000 students it serves, while failing to address the underlying causes of cost escalation.

This sparked the search for an independent consulting firm to review and analyze DOE pupil transportation business practices. The department hired TransPar to conduct a comprehensive analysis and help identify the best path forward.

The Hawaii State Department of Education's Student Transportation Services Branch handles tens of thousands of bus riders each school day.

DAILY STUDENT RIDERSHIP

Regular Education Students
35,090 per day

Special Education Students
3,359 per day

Total = 38,449 per day

DAILY FLEET LOGISTICS

Regular Education Buses
780 bus trips per day

Special Education Buses
262 bus trips per day

Total = 1,042 bus trips per day

THE CHALLENGE

Cost Control
Inefficient Routing
Outdated Technology

THE SOLUTION

Reinvention of the
Transportation Model
Flexible Routing System
Measurable Processes
New Procurement Methods

THE RESULT

\$16M in Cost Savings

Innovative Technologies - an
Improved Statewide Credibility



THE SOLUTION: PARTNERS FOR PROGRESS

“Because it’s located 6,000 miles from the mainland United States, Hawaii was not well connected to a wide range of industry best practices,” said TransPar Group of Companies’ Chief Business Development Officer Tim Ammon. “At TransPar we draw on and apply best practices from our diverse experience, both geographically and from the sheer volume of projects. It’s not a cookie cutter approach. Our work with more than 300 other school systems in the U.S. adds a level of strength and credibility to the recommendations we bring to customers. We used our knowledge and experience to design a system that would work best for Hawaii to help them achieve their goals.”

TransPar worked with the Student Transportation Services team to conduct a full analysis of the state’s transportation program, identify its weaknesses and make recommendations on how to regain control. The final report helped Hawaii clearly understand those weaknesses and what needed to be done to turn operations around and regain control of its pupil transportation system.

“We then needed a partner to walk us through the steps that would reform our system,” said Kauhi. “TransPar’s initial recommendations were so on-point, the DOE decided they wanted to continue its partnership with the company.”

In 2013, the State of Hawaii engaged TransPar to help the DOE implement strategies to best achieve its reform recommendations. TransPar provided a resident manager and routing support to oversee the reform initiatives.

“At that point, they became our day-to-day partners, walking us through reform, from initiation to completion,” Kauhi said. “Having a local manager to oversee the process was a huge key to our success.”

The Get On Board reform program set out to completely revise the way transportation services are procured, delivered and managed throughout Hawaii. It was rolled out in phases from 2013 to 2017.

Among the earliest reforms were the adoption of a new bid/contract model, the implementation of efficiency technologies and the development of Student Transportation Services Branch’s internal capabilities.

The cornerstone of the reform effort was a pilot project, which began in the 2013–2014 school year in the Pearl City–Aiea area of Oahu Island and included:

- Rewriting all policies and procedures to better define and refine how the Student Transportation Services Branch would provide service and oversee new contracts.
- New routing software to design bus routes and evaluate their efficiency and effectiveness.
- A new billing model to generate invoices for bus service.

The pilot project was a resounding success. It reduced costs by nearly \$500,000 (12 percent), improved and strengthened the relationship between the Student Transportation Services Branch and bus contractors, and restored service to nearly 700 students impacted by the 2013 legislative funding reduction.



Over the next four years, systemic changes continued throughout the state's student transportation operations that fundamentally changed business practices including routing, bell times, and administrative and management processes. The entire contract management and oversight framework was overhauled. This, despite the unique logistical challenges posed by Hawaii's unique topography and isolated pockets of development and population.

"TransPar brought innovative ideas and a new approach to soliciting, contracting, overseeing and managing bus contracts and bus contractors. Quite frankly, they reinvented the transportation model here in Hawaii by becoming our partner."

- James Kauhi, Manager, Student Transportation Services Branch, Hawaii DOE

THE RESULT: OPERATIONS TRANSFORMED, CREDIBILITY RESTORED

Today, the DOE Student Transportation Services Branch is a technology-enabled organization that operates using industry best practices to deliver economical, efficient and effective student transportation services to all stakeholders in the State of Hawaii -- students, parents, educators and taxpayers.

New procurement methods, new contract models and an extensive new technology package featuring automated routing software, GPS and cameras on all school buses, has improved and saved the State DOE approximately \$16 million annually.

"TransPar's greatest value is expertise," said Kauhi. "Were it not for the outside perspective they provided, we never would have realized the solution. TransPar brought innovative ideas and a new approach to soliciting, contracting, overseeing and managing bus contracts and bus contractors. I expected improvement but it never entered my mind that we'd be able to improve safety, improve service and save the DOE as much money as we have. They exceeded all expectations. Quite frankly, they reinvented the transportation model here in Hawaii by becoming our partner."

As a result, Hawaii's Student Transportation Services Branch has regained credibility with the DOE and State legislature, which controls its funding.

"TransPar brought some serious game to the table. We found out firsthand how well respected this group is. Our Board of Education now refers to them as rock stars," said Kauhi.

One of the more recent reform efforts is to increase both the volume and value of information communicated to parents. The DOE and TransPar have partnered with SafeStop™, the industry-leading school bus tracking and analytics app, to begin a pilot program. This pilot will test the ability to deliver bus stop information to parents and incorporate the SafeStop Analytics platform to further enhance efficiency across the state.

"Given the unique geography and operating constraints within Hawaii, having a single integrated platform to evaluate on-time performance across all islands will greatly enhance our ability to assess alternative service options to increase service or further reduce costs," Ammon said.

"Similar to the broader reform effort, this technology will be methodically rolled out across the state. We expect this service to be one of the most popular elements of the reform program."

TransPar is a proud partner with the TransPar Group of Companies, a partnership of three leading organizations from across the school transportation industry: TransPar for Management and Staffing Services, School Bus Consultants for Advisory Services, and Transportation Services Co. for Fleet Management and Acquisition Services. These companies offer a diverse portfolio of products and services representing the most comprehensive solutions in the business. And all of this is done with keeping students safe and improving cost and quality of school transportation operations. So no matter the needs, the TransPar Group of Companies is the all-inclusive solution to creating a successful, reliable, and profitable student transportation program.