

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda-underwritten by global corporations-- includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Pupil Transportation Cost-Effectiveness Act

Summary

ALEC's model Public Transportation Cost-Effectiveness Act is designed to reduce school bus expenditures, without reducing quality or safety, by competitively contracting out school bus services. Key components to the bill include:

Model Legislation

Section 1. {Short title.} This Act shall be known and may be cited as The Pupil Transportation Cost Effectiveness Act

Section 2. {Legislative findings and declarations.} The legislature finds and declares that:

- (A) It is in the public interest for school pupil transportation services to be provided subject to high safety and quality standards;
- (B) It is in the interests of the taxpayers that school pupil transportation services be provided at the lowest possible cost consistent with high safety and quality standards;
- (C) Decisions on whether school pupil transportation service should be operated by a school district itself or by a private company should be made on economic considerations rather than on institutional considerations;
- (D) School districts should routinely examine all available options for improving the cost efficiency of school pupil transportation services.

Section 3. {Definitions.} The following words and phrases when used in this act shall have the meaning given in this section unless the context clearly indicates otherwise:

(A) "Make or buy analysis." A process in which a school district arranges for the most cost-efficient provision of the school bus service that it administers. Make or buy analysis includes:

- (1) Issuance of a request for proposals (RFP) for school bus service;
 - (2) Qualification of private companies for eligibility to provide school bus service;
 - (3) Evaluation of proposals received in response to the RFP;
 - (4) Decision to either (a) award a contract for the services described in the RFP or (b) continue to operate the services under the school district transportation division.
- (B) "School district transportation division." The school pupil transportation department of the school district issuing the RFP.
- (C) "Qualified and responsive proposer." A private company that meets the qualification set by the school district and has submitted a proposal that demonstrates sufficient capability and understanding to provide the school bus service according to school district service specifications.
- (D) "Proposer." A private company.
- (E) "Contractor." A private company with which the school district has executed a contract for school bus service.
- (F) "Unit Cost." Any reasonable indicator of cost used by a school district in requesting and evaluating proposals as a part of make or buy analysis, including, but not limited to cost per mile, cost per hour, cost per transported pupil and cost per school bus.

Section 4. {Make or buy analysis.}

- (A) Each school district shall complete the applicable make or buy analysis requirements above within one year of the effective date of this act.
- (B) Make or buy analysis shall be repeated for applicable school bus services at least once every three years. The department of education may not distribute money to a local education agency unless the local education agency establishes that it is providing services at a competitive cost.
- (C) In the event of a contract award to a contractor, all school district-owned buses assigned to the corresponding service may be sold or leased or made available to the contractor for use in the school bus service.

Did you know that global corporation Kraft Foods was the corporate co-chair in 2011?

ALEC's Corporate Board

--in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

(D) Contractors shall reasonably consider displaced school district employees for employment.

Section 5. {Qualifications and specifications.}

(A) Each school district shall prepare reasonable service specifications which shall be included in any RFP for school bus service and any contract for school bus service. The service specifications shall describe minimum standards with respect to, but not limited to:

- (1) Passenger safety and vehicle maintenance standards;
- (2) Qualification, training requirements, and safety records for school bus drivers;
- (3) School bus safety programs and records;
- (4) Requirements for insurance protecting the school district from liability for the acts, negligence, or omission of private companies, their agents, and their employees;
- (5) School bus vehicles;
- (6) Maintenance and preservation of school buses or other assets owned by the school district and leased to contractors;
- (7) Remedies for unsatisfactory performances and contract termination provisions.

(B) No school district may establish any requirement relating to the wages, benefits, or union organization of contractor employees. All contractors shall comply with and give adequate certification with all applicable federal and labor laws.

Section 6. {Requests for Proposals.}

(A) Each school district shall seek the widest reasonable distribution of each RFP.

(B) A school district may require private companies to submit qualification information either reasonably in advance of proposal submittal or as a part of the proposal.

(C) Each RFP shall specify the school bus services sought by the school district, qualifications, service specifications, and any other information necessary to a complete understanding of the school bus service being requested and the proposed terms and conditions.

(D) Each RFP shall specify the district-owned school buses and capital facilities that will or may optionally be made available for use in the specified services.

(E) Each school district shall require that private company costs be proposed in such a format that only the costs of qualified and responsive private companies shall be reviewed, and that any cost submittal by a private company determined to be not qualified and responsive be returned unopened to the private company.

(F) Each school district shall require that costs be proposed as:

(G) Fixed costs based upon unit costs for each year covered by the proposal, including option years; and/or as

(H) Fixed costs based upon unit costs for the first year with subsequent year unit costs adjusted based upon the change in appropriate and broadly accepted indicators of the change in prices, such as the Consumer Price Index.

(I) Each school district shall ensure that disadvantaged business enterprises, as defined in part-23 of title-49 of the Code of Federal Regulations, as amended, have the greatest possible opportunity to respond.

Section 7. {Contracts.}

(A) With respect to each request for proposals, the school district shall award a contract to the qualified proposer whose responsive proposal offers the highest quality for the lowest public cost.

(B) No change in contract payment rate shall be made except as specified in the contract, in accordance with the unit costs in the proposal of the organization awarded the contract.

(C) A school district may execute contracts with private companies to operate any service on an interim basis in the event of an emergency that does not permit sufficient time for make or buy analysis.

Section 8. {School bus provider equity.}

(A) Notwithstanding any other provision of law, no state financial expenditure or reimbursement for school pupil transportation shall result in a preference for operation of school bus service by school district transportation divisions over operation of school bus service by private companies.

(B) Notwithstanding any other provision of law, no state policy or regulation relating to school pupil transportation shall result in a preference for operation of school bus service by school district transportation divisions over operation of school bus service by private companies.

Section 9. {Facilities and Vehicles.}

The planning of all school bus maintenance facilities, operations facilities, and garages

shall include a thorough review of alternatives available for efficient development, management, and/or operations with private school transportation companies.

Section 10.

No school district shall make or be bound by any contract, agreement, or assurance that restricts its ability to comply with this Act in any respect.

Section 11. (Severability clause.)

Section 12. (Repealer clause.)

Section 13. (Effective date.)

Were your laws repealed?

ALEC's Sourcebook of American State Legislation 1995

Center for Media and Democracy's quick summary:

This ALEC-proposed bill mandates that the provision of some public services be opened to bidding by private contractors, and that the contract be awarded on a "lowest cost" basis. While competition can be beneficial, competition without standards is not. "Lowest cost" requirements for procurement contracts tend to lower labor compensation among providers. They are also associated with even worse performance on health and safety, environmental, and reporting requirements than public agencies.

This bill is an early and, for that reason only, important effort to privatize provision of some public service, through competitive contracting for provision of some service, and "lowest cost" or "least cost" instructions on awards to bidding contractors.