

Thursday, June 2, 2022

MINUTES OF THE CONTRACTS COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held June 2, 2022, at Central High School, 1 Lincoln Boulevard, Bridgeport, Connecticut.

The meeting was called to order at 6:03 p.m. Present were members Chair John Weldon and Joe Lombard. Board member Albert Benejan* was present. Committee member Christine Baptiste-Perez joined the meeting subsequently as noted.

(*remote participation)

Mr. Lombard moved to approve the committee's minutes of February 16, 2022. The motion was seconded by Mr. Weldon and unanimously approved.

Mr. Lombard moved to move item 6, relating to We Transport, to be the next item. The motion was seconded by Mr. Weldon and unanimously approved.

The next item was discussion and possible referral to the full board to enter into a contract for student transportation services with We Transport, LLC.

Tony Pires of the business office said the proposed contract covers five years.

Marlene Siegel, chief financial officer, said We Transport was the only bidder on the RFP. Intensive negotiations with We Transport resulted in a five-year contract, through 2027. She said it incorporates the management and routing services that were added in an addendum to the prior

contract. She said a five-year contract enables the district to secure the best possible pricing structure, including major economic factors and issues facing school transportation services.

Ms. Siegel discussed global economic factors including inflation, cost of fuel, labor shortages, supply chain shortages, and the lack of availability of HE/EV vehicles (hybrid/electric vehicles).

Ms. Siegel discussed the age profile of the vehicles. The contract provides no large bus will be older than 13 years and no small bus will be older than 11 years. There is a provision to reduce the age profile of the vehicles if the supply of vehicles improves.

Ms. Siegel said there are provisions for the progressive electrification of the fleet. Objectives include replacing a minimum of fifty percent of the existing fleet with brand-new vehicles and a minimum of fifteen brand-new STV hybrid vehicles and fifty brand-new HEV vehicles, or any combination of the two types.

Ms. Siegel said the rates are higher than we would have liked. She said it is hoped inflation will ease, fuel prices will stabilize, and the supply chain for vehicles will move more smoothly. There is an obligation on the part of both parties to come together and determine whether cost-savings can be derived, including a revised rate schedule.

Ms. Siegel said the movement towards electric vehicles should lead to cost-savings in gasoline and maintenance.

Ms. Siegel said the rate schedule chosen calls for We Transport to pay for the fuel, which is the most economical

option. The increase in Year One is 6.72 percent, or about \$1.2 million; Year Two: 4.25 percent; Year Three: 3.25 percent; Year Four: 4 percent; Year Five: 3.75 percent. The aggregate total is 21.97 percent and a compounded percentage of 23.95 percent.

Ms. Siegel said the base usage does not include summer, ESY, out-of-district, or homeless services that may be assigned to other providers based on bidding. She said the district spends between \$21 million and \$22 million each year on transportation.

Ms. Siegel said she believed the best possible contract was negotiated with the lowest feasible rates under current conditions.

In response to a question, Ms. Siegel said the status of electrification and the direction of inflation will be important markers in any possible contract revision.

Mr. Pires said the district has a list of all the vehicles and their ages.

In response to a question, Mr. Pires said that a number of other vendors viewed the RFP, with one vendor writing to apologize for not being able to respond to the RFP. He said companies would love our business, but it is difficult to perform the services to our expectations.

Ms. Baptiste-Perez arrived at the meeting.

Mr. Weldon said he had heard of possible EPA grants to purchase electric vehicles, but he had not seen private companies being eligible for such grants. Ms. Siegel said there was a recent grant that made the seller of the vehicles

eligible for the grants in conjunction with transportation companies.

Mr. Lombard moved “*to refer to the full board the recommendation to enter into a contract for student transportation services with We Transport, LLC.*” The motion was seconded by Mr. Weldon.

The motion was approved by a 2-0 vote. Voting in favor were members Weldon and Lombard. Ms. Baptiste-Perez abstained.

The next agenda item was discussion and possible referral to the full board to enter into a memorandum of understanding with United Illuminating Co. for various energy conservation projects.

Jorge Garcia, director of building operations, was present. He said last year the district participated with UI in a Distressed Cities program that gave the city 80 percent reimbursement on any energy conservation projects. The 20 percent was financed through a zero-percent interest loan that was paid through the bill on savings obtained on the projects.

Mr. Garcia said after this program was dismantled, there were further conversations with UI about more projects and needing to get to a point where the projects had a shorter payout. The result is an MOU over three years, with 45 percent reimbursement on energy conservation projects.

Mr. Garcia said ideally some of the projects could start this summer, but some could be done in the evenings in the

school year. He said last year the savings were about \$200,000, and the nutrition department saved about \$40,000.

In response to a question, Mr. Garcia said the projects include LED lighting upgrades and boilers and chillers. He said UI has an authorized list of vendors they handpick for the programs.

In response to a question, Mr. Garcia said UI audits the projects that are done to make sure estimated figures are actually realized.

Mr. Lombard moved *“to move the full board a memorandum of understanding with United Illuminating Company for various energy conservation projects as reported by Mr. Garcia.”*

The motion was seconded by Mr. Weldon. The motion was approved by a 2-0 vote. Voting in favor were members Weldon and Lombard. Ms. Baptiste-Perez abstained.

The next agenda item was discussion and possible referral to the full board to enter into a joint contract with the City of Bridgeport for retiree prescription insurance with OptumRx, Inc.

Ulysses Rogers of the payroll and benefits department was present. He said city/BOE prescription benefits have been managed by Express Scripts since 2002. He said in 2018-19 the city and BOE transitioned from individual self-insured prescription carriers to a fully insured prescription plan through the Connecticut Partnership. The RFP will cover a closed group of 2,2268 retirees and spouses.

Mr. Rogers said a selection committee was formed to draft the RFP. Three proposals were received. Mr. Rogers said after a final presentation meeting and a request for a best and final offer, OptumRx was chosen as the potential vendor. The proposal has a projected 30.29 percent savings over three years and an approximate \$1.9 million savings over Express Scripts.

Mr. Lombard moved “*to refer to the full board that the district enter into a joint contract for retiree prescription insurance with OptumRx, Incorporated.*” The motion was seconded by Mr. Weldon and unanimously approved.

The next agenda item was discussion and possible referral to the full board to enter into a joint contract with the City of Bridgeport for retiree Medicare Advantage insurance with Anthem Blue Cross & Blue Shield.

Mr. Rogers said an RFP was requested for the period of January 1, 2022, to December 31, 2024. A committee was established to recommend a final candidate. The contract covers approximately 2,268 city and board retirees and spouses.

Mr. Rogers said the RFP was posted on June 18, 2021. Proposals were received from Anthem and Aetna. After reviewing the best and final offers, the committee scored Anthem as best bidder. There are estimated yearly savings of \$3.7 million (\$1.6 million for the board).

In response to a question, Mr. Rogers said Anthem was the prior vendor and continued coverage with retroactive approval requested.

In response to a question, Monty Miles, benefits manager for the City of Bridgeport, said the reason for the savings was because Anthem was able to offer practically a zero premium over three years due to Medicare subsidies and rebates. She said the coverage got better, with additional benefits being offered, including meals, vision benefits, rides to the doctor, and access to gyms.

Mr. Lombard moved *“to refer to the full board to enter into a joint contract with the City of Bridgeport for retiree Medicare Advantage insurance with Anthem Blue Cross & Blue Shield.”*

The motion was seconded by Mr. Weldon. The motion was approved by a 2-0 vote. Voting in favor were members Weldon and Lombard. Ms. Baptiste-Perez abstained.

The next agenda item was discussion and possible referral to the full board to issue solicitation for commodity and commercial food and paper/cleaning supplies bids for the 2022-2023 school year.

John Garrity, director of food and nutrition, was present. He said the bid is in effect from August 1st to July 31st. He said the board was provided with the bid categories: beef and poultry; bread and bakery products; cereal and breakfast products; cheese; condiments; portion control; eggs; fresh muffins; fruits, groceries; juice and fruit products; milk and dairy; paper and cleaning supplies; pollock; snack products; and vegetables.

Mr. Garrity said Chaves Bakery is requesting an extension of their current bid pricing into 2022-23.

In response to a question, Mr. Garrity said throughout the year companies introduce new products and we determine which items we want to obtain pricing on for potential addition to the menu. If the items are not included in the bids, we can't purchase them, which is why this is done annually.

Mr. Garrity said he was not opposed to longer term bids, but he did not know if companies are able to maintain pricing. In the current year, with firm bid pricing, quite a few suppliers used the contract language of force majeure to increase pricing.

Mr. Weldon said three-year contracts might be advantageous to the district in the next cycle and perhaps pricing for one-year and three-year contracts could be solicited. He said the federal regulations prohibit that process unless it is extended to every bidder.

Mr. Garrity said Chaves Bakery was the sole bidder in the category of bakery goods and muffins this year.

Mr. Garrity said a few companies have tried to pass along a fuel surcharge in light of the increase in the cost of diesel fuel.

There was a discussion of force majeure. Mr. Weldon said suppliers were starting to use the term as a catch-all for any losses that they may be incurring because of normal economic factors. Mr. Garrity said he consulted with the city attorney's office about the issue. In response to a question, Mr. Garrity said the city attorney's office indicated he would have to decide whether to purchase the items or not. He said on one or two occasions the products were obtained from the next lowest bidder.

Mr. Weldon said he believed the city attorney's office should be able to render an opinion on whether a claim of force majeure is legitimate or not.

Mr. Lombard moved *"to refer to the full board to issue a solicitation for commodity and commercial food and paper/cleaning products and supplies for the 2022-2023 school year."*

In response to a question, Mr. Garrity said the language around force majeure was available. Mr. Weldon suggested that be provided to the board in advance of the board meeting.

The motion was seconded by Mr. Weldon. The motion was approved by a 2-0 vote. Voting in favor were members Weldon and Lombard. Ms. Baptiste-Perez abstained.

Mr. Weldon said the item on discussion and possible referral to the full board to award contract for special education auditing services was placed on the agenda in anticipation of the contract being ready, but it is still undergoing legal review at the city attorney's office.

Mr. Lombard moved to adjourn the meeting. The motion was seconded by Mr. Weldon and unanimously approved.

The meeting was adjourned at 6:55 p.m.

Respectfully submitted,

John McLeod

Approved by the committee on August 31, 2022