NYSED–Pupil Transportation Piggyback Contract Guidance

Under Education Law §305(14)(g), a Board of Education may enter into a piggyback contract with another school district that transports students by means of a contract with a private transportation contractor, provided that the Board finds that the contract cost is appropriate and entry into a piggyback contract will result in a cost savings to the school district. This is sometimes known as a “piggyback contract.” Under Education Law §305(14)(g), an eligible “piggyback contract” is a contract for the transportation of students that:

1. provides transportation to a location outside the students’ school district of residence to which another school district is already providing transportation to its own students through an existing contract with a private transportation contractor, other than a cooperatively bid contract;

2. is entered into by the private transportation contractor and each school district involved; and

3. provides for transportation in accordance with the terms and conditions of such existing transportation contract.

For the purpose of this guidance document, the “piggybacking district” will be referred to as the “added district” and the district that already holds the valid contract will be known as the “originating district”. A valid, originating contract is one that meets the conditions set forth by the amendment and has already been approved by NYSED.

What Changes:

- An added district can share a contracted bus with an originating district already holding a valid contract with a private transportation vendor. The following conditions must be met in order for NYSED to approve of a piggybacking contract:

  1. The destination must be outside of the added students’ school district of residence to which the originating district is already traveling.

  2. Each district involved in the piggybacking contract must adopt a Board Resolution. The added district’s resolution must indicate that the contract cost is appropriate and will result in a cost savings. The originating district resolution must include acceptance of the arrangement, listing the specific contract and private contractor.

  3. The valid, originating contract cannot be a cooperatively bid contract.

  4. The added district must enter into a contract (form TC/ TCS/ CE/ CES) with the private transportation contractor.
5. The contractor must provide transportation according to the terms and conditions of the originating contract.

- A piggyback contract differs in that it is not subject to the $20,000 aggregate threshold or bidding requirements pursuant to General Municipal Law §103.

- To receive piggybacking contract approval from NYSED, a form TC/TCS/CE/CES must be submitted to SED by the added district, clearly indicating a piggyback service (add link to updated forms). In addition, the following must be submitted with the form:
  - A copy of the added district’s Board Resolution verifying cost savings to the school district.
  - A copy of the originating district’s Board Resolution approving piggyback service on a specified contract with a specified private contractor.
  - A copy of the originating district’s valid contract specifications.

- Each participating district must pay the contractor directly. In general, the added district does not reimburse the originating district.

What remains the same:

- Contracts (form TC/CE) for the transportation of pupils cannot cover the full school fiscal year (July 1 to June 30). Separate contracts must be awarded for the summer (TCS/CES) and for the regular school year (TC/CE). If the originating contract does not cover summer service, the added district cannot add this service to the piggybacking contract.

- Contract Agreement Date completion. This is the date on which the Trustee/President of the Board of Education and the private contractor sign the contract. NOTE: A late execution State Aid deduction will be taken for each school day that the agreement is signed subsequent to the first day of service.

- Contract must be approved by the Superintendents of Schools. The date of the Superintendent’s Approval must be on or after the Agreement Date and prior to filing with NYSED.

- All signatures must be original (blue ink).

- Contacts must be filed to NYSED within 120 calendar days after the first day of service; a late file State Aid deduction will be taken for each school day that a contract is late.
All required documents must be submitted for NYSED approval and State Aid reimbursement.

The Department will notify the district via email of all contract approvals or disapprovals. Retain a copy of all your records.

Unless expressly written otherwise, all other laws, regulations and guidance apply in providing for the transportation of students.

FAQs:

Q1: The Board must find that the “contract cost is appropriate.” How is “appropriate” determined?

A: The Board of the added district must review the originating contract costs and determine if these costs are appropriate. (See CRR-NY 156.11 for further information on determining appropriate costs.)

Q2: The contract must result in “cost savings”. Must the cost savings apply to all districts or only the added district?

A: Education Law 305(14)(g) requires that the added district must realize “cost savings” by entering into a piggyback contract, as compared to competitively bidding such contract.

Q3: How are “savings” determined?

A: Cost savings are determined by estimating the cost to go out to bid for a new, individual route, versus the cost of piggybacking on an originating contract.

Q4: How would a district document “cost savings”?

A: Once costs are determined, cost savings would then be documented through a Board Resolution. The added district must document the agreement and cost savings. This could include the estimate of soliciting competitive bids for a new route as compared to the cost of piggybacking on an originating contract.

Q5: What if there are already multiple districts using the contract?

A: Pursuant to Education Law §305(14)(g) a piggyback contract means a contract “other than a cooperatively bid contract.” Therefore, if multiple districts are using a contract, it is not a valid piggybacking contract.

Q6: Must the originating specifications contain language permitting sharing?
A: The originating contract does not need to contain language permitting sharing. However, if the originating contract contains language that prohibits sharing, the contract is not considered a valid piggybacking contract and would need to be rebid to allow for shared services.

Q7: Must the originating district be informed of the sharing? Is there a formal notification process?

A: Yes, the originating district must be notified of the request to piggyback. The added district is responsible for making this notification of request.

Q8: Does the originating district have the right to make a determination on sharing and the use of the contract?

A: Yes, the originating Board of Education must also pass a resolution to allow for the sharing and use of the contract.

Q9: May a school district enter into a piggybacking contract if the term of the originating contract is more than one year?

A: Yes.

Q10: Must the contractor comply with all terms and conditions of the originating contract specifications for the added district (equipment mandates, access to technology, reporting, training, etc.)?

A: Yes, the contractor would provide transportation in accordance with the terms and conditions of the originating contract. Otherwise, a separate contract would need to be bid.

Q11: What if the added district requires an aide or nurse and the originating contract does not have this mandate?

A: If services are required that are above what is included in the originating contract and there is no provision to add these services, then the added district must enter into a separate contract for those services.

Q12: Is an intermunicipal agreement required between the districts so they both acknowledge acceptance of the arrangement?

A: An intermunicipal agreement is recommended. This agreement could contain valuable information, such as pass-through costs, safety requirements, insurance, student disciplinary responsibilities, etc.
Q13: If an originating district enters into renewal negotiations with the contractor, must the same financial terms apply to the added district?

A: Yes, if an originating valid contract is extended into a new school year, the same extension terms apply to the added district. Both districts would complete a form CE/CES, with the contractor, to be submitted to SED for approval.

Q14: Can a contractor refuse to enter into a piggybacking contract?

A: Yes.

Education Law

§ 305. General powers and duties. The commissioner of education is hereby charged with the following powers and duties:
14. g. Notwithstanding the provisions of this subdivision, section one hundred three of the general municipal law, or any other provision of law to the contrary, the board of education shall be authorized to enter into a piggyback contract with another school district that transports students pursuant to a contract with a private transportation contractor, provided that the board finds that the contract cost is appropriate and entry into a piggyback contract will result in a cost savings to the school district. For purposes of this paragraph, a "piggyback contract" means a contract for the transportation of students that: (1) provides transportation to a location outside the students' school district of residence to which another school district is already providing transportation to its own students through an existing contract with a private transportation contractor, other than a cooperatively bid contract; (2) is entered into by the private transportation contractor and each school district involved; and (3) provides for transportation in accordance with the terms and conditions of such existing transportation contract.