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South Allegheny School District Statement – Accepting Termination of Bus Contract

This afternoon, the South Allegheny School District's legal counsel informed the attorneys for Sun Coach Lines that the School District accepted Sun Coach's January 29, 2021 termination of the transportation agreement with the School District. After consultation with the School District's legal counsel, the School Board decided that it was in the best interest of the School District to discontinue the legal action to compel Sun Coach to comply with the transportation agreement moving forward. District Administration has been working diligently since receiving the termination notice to contract with a different transportation service provider to ensure that all School District students are able to return to the classroom. In order to be able to enter into a new contract for transportation for all the District students, the School District is withdrawing its motion for an injunction and will ask the Court to dissolve the interim order entered yesterday which only required Sun Coach to transport special education students to out-of-district placements.

This decision comes after the District made numerous good faith attempts to follow the transportation agreement's dispute process with Sun Coach through mediation. We as a District regret that after our long time relationship with Sun Coach, the District was forced to seek intervention from the Court to ensure that our students would be able to get to school, but that decision was made with the best interests of the students in mind. Even as recently as today, the District continues to remain willing to participate in additional mediation in an attempt to resolve the payment dispute with Sun Coach. Sun Coach has not been available for additional mediation.

During the injunction hearing on Tuesday, the presiding judge expressed his hope that the parties would return to mediation to resolve the dispute. Although declining to enter an order requiring Sun Coach to transport all students, the judge recognized the need to ensure that some of our students absolutely needed transportation to their out-of-district placements to ensure that they continued to receive specialized educational services. To that end, the judge prevailed upon Sun Coach to continue providing services only to this small group of students. As part of that agreement, Sun Coach's attorney represented that the uniform daily rate for a single bus run paid by Pittsburgh Public Schools was \$315.21. Attorneys have a duty of candor toward the court, and it is expected that the representations they make are truthful and based in fact. The School District trusted and relied on the attorney's representation that this rate represented a fair and reasonable price for bus services. However, after the hearing, attorneys for the School district obtained a copy of Pittsburgh Public School's rate schedule for the 2020 – 2021 School Year. Our attorneys were reported to us that the rates paid by Pittsburgh varied based on the size of the vehicle and the number of hours the vehicle was used in a day. The District determined that \$315.21 was not a standard daily rate for all vehicles, and was, in fact, very close to the rate for a 74 to 82 passenger bus used for 3 hours, which is not used to transport the special education students. If the rate were calculated at times and capacities actually used by the District, the rates would be closer to \$150.00 per day based on the Pittsburgh schedule of rates. If the District were to continue using Sun Coach to transport only its special education students at the proposed rate for the rest of the School Year, the District would be charged approximately \$500,000 for transporting about 65 students for the remainder of the year, using almost the entire remaining budgeted amount for transportation and preventing the District from moving forward with plans with a new bus company to transport all of its students. As responsible stewards of the

public's tax dollars, the Board determined that it could not continue with its relationship with Sun Coach, and has decided to seek an alternative transportation provider moving forward.

Changing transportation providers in the middle of a school year is a cumbersome and complex undertaking. Usually, the process of retaining a new provider requires a multi-step procedure to ensure that the District contracts with a reputable provider who will provide quality service at a reasonable price. The process involves soliciting proposals, vetting companies, analyzing price quotes, and negotiating agreements. After the District selects a provider, the District needs to work with the company to develop bus routes, obtain driver clearances, and verify that the company has the right equipment to meet the District's needs. In short, this is not a service that can easily be changed quickly, which is why most school districts award contracts to new providers well in advance of a new school year and spend the summer developing routes with the new company. Sun Coach's early termination of the contract has made this a moot point.

Although we are disappointed that we could not resolve our disputes with Sun Coach through the agreed upon contract language, the District has determined at this time that the best course of action is to accept Sun Coach's termination, permit the parties to resolve their payment dispute free of any future obligations to one another, and formally end our relationship. As we seek a new transportation provider, the District is committed to ensuring that the next company will see South Allegheny as a partner in furtherance of our educational mission.

As District Administration works diligently to find alternative transportation, students and their families should assume that if they do not receive a telephone call directly from the District that transportation is available for them, then they should be prepared to have a family member transport them to their appropriate facility on Monday, February 8, 2021. Virtual learning options also remain available for those students who are unable to obtain transportation or who, due to COVID-19 concerns, wish to remain away from the District's physical buildings. Further information will be provided as soon as it becomes available.