

April 5, 2010

Orange County Public Schools  
Mr. Michael Eugene, Chief Operations Officer  
445 W. Amelia Street  
Orlando, FL 32801  
407.317.3200

Dear Mr. Eugene:

On the afternoon of April 1, Jeff McHenry participated via phone in a meeting with you and selected transportation staff to refine savings estimates, prioritize goals, and develop strategies and timelines for implementation of TransPar recommendations. The meeting was called in anticipation of a board working session scheduled for April 6. TransPar regrets that it is unable to attend the board's working session and offers these comments on the differences that remain between TransPar and the transportation team:

1. **Management reductions-** *The team is skeptical that the reductions can be achieved without a severe compromise in service and responsiveness.* TransPar's recommendation is based upon on a 150 bus operations management model 'scaled up' to accommodate the 1000 buses that Orange operates. The model assumes that a manager's accountabilities includes maintenance and dispatch which is not the case with Orange operations managers. The compromise proposed is the immediate reduction of four positions. TransPar concurs with an incremental approach to 'right-sizing' the organization. As Metric Monitoring (see 3 below) is established we believe broader spans of control can be achieved and the organization will eventually reflect our goal. Moreover, the number and complexity of initiatives being contemplated will probably be achieved at a faster pace if the organization 'right-sizing' trails the process not lead it.
2. **ESE Monitors-** *The team believes that the number of monitors is sufficient. Additionally, ESE is reluctant to reduce the support of these children.* TransPar bases its goal on broad experience. In particular, we manage the daily operations of 400 buses supporting a Special Education COOP in St. Louis. The rate of buses with attendants is 75 % or about 100 operated with a driver only. We concur that if a goal is adopted and the costs understood, the two departments will begin to achieve savings collaboratively.

3. **Metric Monitoring**- We acknowledge that the savings achieved through establishing benchmarks and measuring progress seems unlikely until it is experienced. In our on-going work (now two years) of supporting the implementation plans in St. Lucie County the cost reduction and efficiency achievements can be confirmed with the instituted metrics and from the District's internal financial reports. Defining a savings goal at this time is less important than establishing the discipline to pursue the measuring of operational performance.
  
4. **Fleet Management**- **The team is convinced that further fleet reduction beyond the 300 plan is not achievable.** TransPar attempts to follow the practice of financially quantifying the impact of each of its recommendations. Our main point was that fleet levels require on-going management in order to maintain the optimum number of buses. As the team begins to measure fleet readiness, more efficiently route, and improve after school activity scheduling, the need for buses will be further reduced.

We applaud the immediacy with which our recommendations are being pursued. We appreciate the professionalism demonstrated in the interaction between your team and our firm. We stand ready to be of further assistance as needed.

Respectfully,



Kyle Martin