



March 18, 2019

**TO:** YPI Charter Schools  
Board of Directors

**FROM:** Ruben Dueñas  
Chief Operations Officer

**SUBJECT: Recommendation to approve purchase of 5 vans for student transportation**

**BACKGROUND**

The Executive Director has the authority to approve expenditures up to \$50,000. Expenditures over \$50,000 must be approved by the Board of Directors. The staff request to purchase 5 vans for up to \$200,000 plus costs to operate and maintain the vehicles is beyond what was allocated in the 2018-2019 school budget. The following expenditure exceeds the Executive Director’s spending authority, and the Board is asked to review and approve The following actions:

1. Purchasing three 10 passenger vans for total of \$120,000 for Bert Corona Charter School
2. Purchasing two 10 passenger vans for Monseñor Oscar Romero Charter School for total of \$80,000.
3. Open a gas credit card for each school for exclusive use with YPICS Vehicle.
4. Purchase insurance
5. Pay for operating costs

**ANALYSIS**

YPICS’ has 5 agreements with YPI for afterschool programs (ASES and 21<sup>st</sup> Century). The afterschool sports programs are a vital part of the program. Student athletes generate over half of the daily attendance in the core programs, as well as, in the supplemental programs on non-school days (weekends, holidays, and vacation periods). The state has changed how transportation for student trips are billed/expensed on school days. The change will directly impact the sports program and the after school program. All trips have to begin after school hours in order to be counted as an after school program expense. Student athletes need to leave campus before school lets out to arrive on time for a game that starts at 4pm. As a result, transportation has become an issue for the schools. 5-6 school employees are driving private automobiles to transport student athletes to games and then the after school program rents a bus to bring them back to school after the game has been completed. Purchasing vans to transport students will reduce the overall costs of transportation and expand programming opportunities at all three campuses.

**Current Expenses**

School Site	BCCS	BCCHS	MORCS	Total
Total Expense	\$37,200	\$16,500	\$32,400	\$86,100

**Expense Revenue Assumptions** (full calculations included below)

Bert Corona Charter School with High School

Description	Annual Year 1-5	Annual Year 6-10
Total Expense	\$53,550.00	\$29,550.00
Total Revenue	\$53,700.00	\$53,700.00
Profit/Loss	\$150.00	\$24,150.00

Monseñor Oscar Romero Charter School

Description	Annual Year 1-5	Annual Year 6-10
Total Expense	\$35,700.00	\$19,700.00
Total Revenue	\$32,400.00	\$32,400.00
Profit/Loss	-\$3,300.00	\$12,700.00

Over time, the cost of purchasing vans is less than the current cost of transporting students by private vehicle and then by bus.

**RECOMMENDATION**

Staff recommends that the Board approve the following actions:

1. Purchasing three 10 passenger vans for total of \$120,000 for Bert Corona Charter School
2. Purchasing two 10 passenger vans for Monseñor Oscar Romero Charter School for total of \$80,000.
3. Open a gas credit card for each school for exclusive use with YPICS Vehicle.
4. Purchase insurance
5. Pay for operating costs

**Bert Corona Charter School and HS**

<b>Annual Van Expenses</b>	<b>Funding</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Trips/</b>	<b>Yrs of Depreciation</b>	<b>Year 1-5</b>	<b>Year 6-10</b>
Vans		3	\$40,000.00	1	5	\$24,000.00	
Insurance		3	\$2,000.00	1		\$6,000.00	\$6,000.00
gas		3	\$600.00	12		\$21,600.00	\$21,600.00
Maintenance		3	\$650.00	1		\$1,950.00	\$1,950.00
<b>Total Expense</b>						<b>\$53,550.00</b>	<b>\$29,550.00</b>
<b>Annual Revenue</b>			<b>Unit Cost</b>	<b>Trips</b>		<b>Year 1-5</b>	<b>Year 6-10</b>
<b>Weekend Incentive Trips</b>	YPI		\$600.00	10		\$6,000.00	\$6,000.00
<b>5th Grade Trips</b>	BCCS		\$600.00	3		\$1,800.00	\$1,800.00
<b>HS Volunteer Program</b>	no funding		TBD				
<b>HS Sports Program</b>							
Soccer	HS		\$500.00	8		\$4,000.00	\$4,000.00
Basketball	HS		\$500.00	8		\$4,000.00	\$4,000.00
Volleyball	HS		\$500.00	8		\$4,000.00	\$4,000.00
Speech and Debate	HS		\$500.00	6		\$3,000.00	\$3,000.00
Photography Competition	HS		\$1,500.00	1		\$1,500.00	\$1,500.00
<b>BCCS Sports Program</b>							
Boys Soccer	YPI		\$500.00	8		\$4,000.00	\$4,000.00
Girls Soccer	YPI		\$500.00	8		\$4,000.00	\$4,000.00
Boys Basketball	YPI		\$500.00	8		\$4,000.00	\$4,000.00
Girls Basketball	YPI		\$500.00	8		\$4,000.00	\$4,000.00
Girls Volleyball	YPI		\$500.00	8		\$4,000.00	\$4,000.00
Football	YPI		\$500.00	8		\$4,000.00	\$4,000.00
<b>YPI Tournaments</b>							
Footsol	YPI		\$600.00	3		\$1,800.00	\$1,800.00
Basketball	YPI		\$600.00	3		\$1,800.00	\$1,800.00
Soccer	YPI		\$600.00	3		\$1,800.00	\$1,800.00
<b>Total Revenue</b>						<b>\$53,700.00</b>	<b>\$53,700.00</b>

**Monseñor Oscar Romero Charter School**

<b>Annual Van Expenses</b>	<b>Funding Source</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Trips</b>	<b>Yrs of Depreciation</b>	<b>Year 1-5</b>	<b>Year 6-10</b>
Vans		2	\$40,000.00	1	5	\$16,000.00	
Insurance		2	\$2,000.00	1		\$4,000.00	\$4,000.00
gas		2	\$600.00	12		\$14,400.00	\$14,400.00
Maintenance		2	\$650.00	1		\$1,300.00	\$1,300.00
<b>Total Expense</b>						<b>\$35,700.00</b>	<b>\$19,700.00</b>
<b>Annual Revenue</b>			<b>Unit Cost</b>	<b>Trips</b>		<b>Year 1-5</b>	<b>Year 6-10</b>
<b>Weekend Incentive Trips</b>	YPI		\$600.00	5		\$3,000.00	\$3,000.00
<b>5th Grade Trips</b>	N/A		\$500.00			\$0.00	\$0.00
<b>HS Volunteer Program</b>	N/A		TBD				
<b>HS Sports Program</b>							
Soccer	N/A		\$500.00			\$0.00	\$0.00
Basketball	N/A		\$500.00			\$0.00	\$0.00
Volleyball	N/A		\$500.00			\$0.00	\$0.00
Speech and Debate	N/A		\$500.00			\$0.00	\$0.00
Photography Competition	N/A		\$1,500.00			\$0.00	\$0.00
<b>MORCS Sports Program</b>							
Boys Soccer	MORCS		\$500.00	8		\$4,000.00	\$4,000.00
Girls Soccer	MORCS		\$500.00	8		\$4,000.00	\$4,000.00
Boys Basketball	MORCS		\$500.00	8		\$4,000.00	\$4,000.00
Girls Basketball	MORCS		\$500.00	8		\$4,000.00	\$4,000.00
Girls Volleyball	/MORCS		\$500.00	8		\$4,000.00	\$4,000.00
Football	MORCS		\$500.00	8		\$4,000.00	\$4,000.00
<b>YPI Tournaments</b>							
Footsol	YPI		\$600.00	3		\$1,800.00	\$1,800.00
Basketball	YPI		\$600.00	3		\$1,800.00	\$1,800.00
Soccer	YPI		\$600.00	3		\$1,800.00	\$1,800.00
<b>Total Revenue</b>						<b>\$32,400.00</b>	<b>\$32,400.00</b>

### **Relevant Insurance Information**

- The insurance premium is \$2000.00 per vehicle per year.
- School insurance program will cover a 10 person van.
  - Insurance will not cover a 12-15 passenger van even if seating is removed.
    - The State of California has brought its definition of a school bus into line with this federal definition.
    - Any vehicle that carries 11 passengers or more (including the driver) as a school bus when used in a school setting. Removing seats to reduce capacity does not make a difference.
- Auto Liability and Physical Damage Coverage
  - Limits
    - \$30 Million per occurrence and aggregate for Auto Liability
      - 2 million base with 28 million from excess coverage
    - \$1 Million per occurrence for Auto Physical Damage
  - General school insurance will cover student injuries.
  - Workers compensation will cover employee injuries.
- 2018-2019 Memorandum of Coverage, SECTION VI AUTOMOBILE is included below

### **SECTION VI AUTOMOBILE**

#### **AUTOMOBILE LIABILITY INSURING AGREEMENT**

CCS JPA agrees, subject to the terms, conditions, limitations and exclusions of this MOC, to pay on behalf of the NAMED MEMBER all sums which the NAMED MEMBER is obligated to pay by reason of the liability imposed upon the NAMED MEMBER by law or assumed by the NAMED MEMBER under contract or agreement, for DAMAGES arising out of any ACCIDENT on account of BODILY INJURY, and/or PROPERTY DAMAGE, arising out of the ownership, maintenance or use of any AUTOMOBILE, during the PERIOD OF COVERAGE and subject to the ACCIDENT LIMIT of coverage shown in the SCHEDULE OF LIMITS.

AUTOMOBILE MEDICAL PAYMENTS. CCS JPA agrees, subject to the MOC limitations, terms and conditions , to pay on behalf of the NAMED MEMBER all reasonable MEDICAL PAYMENTS incurred by the NAMED MEMBER to others as are necessary at the time of an OCCURRENCE due to BODILY INJURY arising out of the use of any AUTOMOBILE and subject to the per person and ACCIDENT LIMITS of coverage shown in the SCHEDULE OF LIMITS.

UNINSURED MOTOR VEHICLE liability. CCS JPA agrees, subject to the MOC limitations, terms and conditions, to provide coverage for ACCIDENTS involving a third party operating an UNINSURED MOTOR VEHICLE and subject to the ACCIDENT limit of coverage shown in the SCHEDULE OF LIMITS.

Conformance with Statute: While a covered AUTOMOBILE is temporarily operated within the coverage TERRITORY but outside the State of California, CCS JPA will:

1. Provide the minimum amounts and types of other coverages, such as no-fault or Personal Injury Protection (PIP) required by the jurisdiction in which the covered AUTOMOBILE is being used.

AUTOMOBILES Owned by EMPLOYEES or VOLUNTEERS. An AUTOMOBILE owned by an EMPLOYEE or VOLUNTEER of the NAMED MEMBER is provided coverage afforded by this Section while the AUTOMOBILE is being used by an EMPLOYEE or VOLUNTEER while on official business of the NAMED MEMBER. Coverage provided by this Section shall be deemed excess to the coverage of the EMPLOYEE'S or VOLUNTEER'S personal coverage, which is deemed to be primary coverage regardless of any statutory provision. The intent of this coverage shall not be interpreted to extend coverage to an AUTOMOBILE owned by other public or private entities, which are made available to the NAMED MEMBER. For these non-owned AUTOMOBILES, the terms and conditions already contained in this MOC shall apply.

Non-owned and HIRED AUTO. This section also includes coverage for any COVERED PARTY using a HIRED AUTOMOBILE with the permission of the NAMED MEMBER and/or a non-owned AUTOMOBILE while on official business of the NAMED MEMBER.

### **AUTOMOBILE LIABILITY EXCLUSIONS**

IN THE EVENT THE AUTOMOBILE LIABILITY EXCLUSIONS CONFLICT WITH ANY OTHER EXCLUSIONS IN THIS MOC, THE EXCLUSIONS FOR THIS AUTOMOBILE LIABILITY SECTION SHALL PREVAIL:

1. Other Coverage. More specifically covered under any other Section of the MOC and/or any other coverage available to the COVERED PARTY.
2. Contractual Liability. BODILY INJURY or PROPERTY DAMAGE for which the NAMED MEMBER is obligated to pay DAMAGES by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for DAMAGES:
  - a. That the NAMED MEMBER would have in the absence of the contract or agreement; or
  - b. Assumed in a contract or agreement that is a NAMED MEMBER CONTRACT, provided the BODILY INJURY or PROPERTY DAMAGE occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in a NAMED MEMBER CONTRACT, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a COVERED PARTY are deemed to be DAMAGES because of BODILY INJURY or PROPERTY DAMAGE, provided:
    - i. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same NAMED MEMBER CONTRACT; and
    - ii. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which DAMAGES to which this MOC applies are alleged.
3. Employee Injury. DAMAGES or MEDICAL PAYMENTS to EMPLOYEES of the NAMED MEMBER injured in the course and scope of their employment. This includes any consequential BODILY INJURY to the EMPLOYEE's family members. However, this exclusion does not apply to liability assumed under a NAMED MEMBER CONTRACT.
4. Mobile Equipment. DAMAGES arising out of the ownership, maintenance or use, including loading and unloading, of MOBILE EQUIPMENT, unless such MOBILE EQUIPMENT is subject to financial responsibility laws at the time of the accident.
5. Non-Compliance. DAMAGES arising out of the ownership, maintenance or use of passenger vans with capacity of 12 or more passengers, including the driver, used for transporting students that are non-compliant with State and Federal law.

6. Pollution. For the investigation, defense, loss, including loss of use, BODILY INJURY or PROPERTY DAMAGE caused by the release, discharge, dispersal, seepage or migration of POLLUTANTS anywhere, anytime, in any way, whether accidental or intentional, sudden or intermittent or continuous:
  - a. That are, or that are contained, in any property that is:
    - i. Being transported or towed by, handled, or handled for movement into, onto or from, an AUTOMOBILE;
    - ii. Otherwise in the course of transit by or on behalf of the NAMED MEMBER; or
    - iii. Being stored, disposed of, treated or processed in or upon an AUTOMOBILE;
  - b. Before the POLLUTANTS or any property in which the POLLUTANTS are contained are moved from the place where they are accepted by the NAMED MEMBER for movement into or onto an AUTOMOBILE; or
  - c. After the POLLUTANTS or any property in which the POLLUTANTS are contained are moved from an AUTOMOBILE to the place where they are finally delivered, disposed of or abandoned by the NAMED MEMBER.

Except:

Paragraph a. of this exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar POLLUTANTS that are needed for, or result from the normal electrical, hydraulic or mechanical functioning of an AUTOMOBILE or its parts, if:

- a. The POLLUTANTS escape, seep, migrate, or are discharged, dispersed or released directly from an AUTOMOBILE part designed by its manufacturer to hold, store, receive or dispose of such POLLUTANTS; or
- b. The BODILY INJURY or PROPERTY DAMAGE do not arise out of the operation of any equipment defined as MOBILE EQUIPMENT.

Paragraphs b. and c. of this exclusion do not apply to accidents that occur away from PREMISES owned by or rented to a NAMED MEMBER with respect to POLLUTANTS not in or upon an AUTOMOBILE if:

- a. The POLLUTANTS or any property in which the POLLUTANTS are contained are upset, overturned or damaged as a result of the maintenance or use of an AUTOMOBILE; or
- b. The discharge, dispersal, seepage, migration, release or escape of the POLLUTANTS is caused directly by such upset, overturn or damage.

7. Racing. AUTOMOBILES used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity.

8. Unauthorized Use. DAMAGES arising out of the use of an AUTOMOBILE where such use is not authorized by the NAMED MEMBER.

9. Certain Vehicles. DAMAGES arising out of the ownership, maintenance or use of vehicles with less than or greater than four wheels while being used in student driver training programs.

### **AUTOMOBILE LIABILITY DEFINITIONS**

IN THE EVENT THE AUTOMOBILE LIABILITY DEFINITIONS CONFLICT WITH ANY OTHER DEFINITIONS IN THIS MOC, THE DEFINITIONS FOR THIS AUTOMOBILE LIABILITY SECTION SHALL PREVAIL:

1. AUTOMOBILE means any land motor vehicle intended or designed for public road use, trailer or semi-trailer, including its equipment and any other equipment permanently attached thereto, but AUTOMOBILE does not include:
  - a. The use of any trailer, semi-trailer, or commercial truck trailer for the hauling or transportation of commercial products for remuneration, including the use of such vehicles in a NAMED MEMBER's student-training program whether remuneration is received or not; or
  - b. MOBILE EQUIPMENT unless the MOBILE EQUIPMENT is subject to financial responsibility laws at the time of the ACCIDENT. Self-propelled vehicles with the following types of permanently attached equipment are considered AUTOMOBILES, if the self-propelled vehicles are designed primarily for:
    - i. Snow removal;
    - ii. Road maintenance, but not construction or resurfacing; or
    - iii. Street cleaning.

The following are not considered an AUTOMOBILE even if they are being towed by or carried on an AUTOMOBILE:

1. Watercraft, boat, or camping or travel trailer; or
  2. RECREATIONAL MOTOR VEHICLES.
2. CLAIM means a demand received by a NAMED MEMBER for DAMAGES arising out of an ACCIDENT involving any covered AUTOMOBILE. No CLAIM exists where the only DAMAGES sought or demanded are costs of SUIT and/or attorney's fees.
  3. HIRED AUTOMOBILE means only those AUTOMOBILES leased, hired, rented or borrowed by a NAMED MEMBER. This does not include any AUTOMOBILES leased, hired, rented or borrowed from another NAMED MEMBER.
  4. MEDICAL PAYMENTS means reasonable expenses for FIRST AID at the time of an ACCIDENT, necessary medical, surgical, X-ray and dental services, ambulance, hospital, professional nursing and funeral services.
  5. MOBILE EQUIPMENT means any of the following types of land vehicles, including any attached machinery or equipment:
    - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
    - b. Vehicles maintained for use solely on or next to PREMISES the NAMED MEMBER owns or rents;
    - c. Vehicles that travel on crawler treads;
    - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
      - i. Power cranes, shovels, loaders, diggers or drills; or
      - ii. Road construction or resurfacing equipment such as graders, scrapers or rollers;
    - e. Vehicles not described in a., b., c., or d. above, that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
      - i. Air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
      - ii. Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c., or d. above, maintained primarily for purposes other than the transportation of persons or cargo.
6. RECREATIONAL MOTOR VEHICLE means any motor vehicle designed for recreation, including those used off public roads, and camping or travel trailers. A motor vehicle that has been converted specifically for use as a classroom and which contains no built-in cooking or sleeping facilities, and is not utilized for student transportation is not a RECREATIONAL MOTOR VEHICLE.
7. UNINSURED MOTOR VEHICLE means the definition provided by each State's statute and includes underinsured motor vehicle, if included within the meaning of each State's statute.

#### **AUTOMOBILE PHYSICAL DAMAGE INSURING AGREEMENT**

CCS JPA agrees, subject to the terms, conditions, limitations and exclusions of this MOC, to pay on behalf of the NAMED MEMBER for all risks of direct physical loss, for loss or damage occurring during the COVERAGE PERIOD to AUTOMOBILES owned by the NAMED MEMBER or for which the NAMED MEMBER has an obligation to provide coverage, wherever located, including the cost to rent an AUTOMOBILE of like kind as a result of the covered PHYSICAL DAMAGE.

#### **AUTOMOBILE PHYSICAL DAMAGE CONDITIONS**

Valuation: CCS JPA will pay on behalf of the NAMED MEMBER based on the lesser of the cost to repair the AUTOMOBILE or the ACTUAL CASH VALUE of the AUTOMOBILE at the time of loss. If the ACTUAL CASH VALUE is lesser than the cost to repair the AUTOMOBILE but the lease or loan obligation is greater than the ACTUAL CASH VALUE, then CCS JPA will pay the lesser of the cost to repair the AUTOMOBILE or the amount remaining on the lease or loan obligation at the time of loss.

Automatic Acquisition Clause: This coverage is automatically extended to cover additional AUTOMOBILES and/or interests of the NAMED MEMBER, usual and/or incidental to the operations of the NAMED MEMBER, and which are acquired, or for which the NAMED MEMBER becomes legally liable, during the COVERAGE PERIOD under this MOC.

However, NAMED MEMBER shall provide CCS JPA with a report of any such newly acquired AUTOMOBILE within ninety (90) days from the date the NAMED MEMBER acquires or becomes legally liable for the vehicle, provided that the vehicle is acquired or interests secured during the PERIOD OF COVERAGE.

#### **AUTOMOBILE PHYSICAL DAMAGE EXCLUSIONS**

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IN THE EVENT THE AUTOMOBILE PHYSICAL DAMAGE EXCLUSIONS CONFLICT WITH ANY OTHER EXCLUSIONS IN THIS MOC, THE EXCLUSIONS FOR THIS AUTOMOBILE PHYSICAL DAMAGE SECTION SHALL PREVAIL:

1. Other Coverage. More specifically covered under any other Section of the MOC and/or any other coverage available to the COVERED PARTY.
2. Loss to any covered auto while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity, or while any covered auto is being prepared for such contest or activity.

3. Any CLAIM for DAMAGES arising out of the use of an AUTOMOBILE where such use is not authorized by the NAMED MEMBER.
4. Loss due and confined to:
  - a. Wear and tear, freezing, mechanical or electrical breakdown; or
  - b. Blowouts, punctures or other road damage to tires.
5. This MOC does not cover for loss to a covered auto due to diminution in value.

#### **AUTOMOBILE PHYSICAL DAMAGE DEFINITIONS**

IN THE EVENT THE AUTOMOBILE PHYSICAL DAMAGE DEFINITIONS CONFLICT WITH ANY OTHER DEFINITIONS IN THIS MOC, THE DEFINITIONS FOR THIS AUTOMOBILE PHYSICAL DAMAGE SECTION SHALL PREVAIL:

1. ACTUAL CASH VALUE means the cost to repair or replace covered property minus depreciation.
2. AUTOMOBILE means any land motor vehicle, trailer or semi-trailer, designed for travel on public roads or any other land vehicle that is subject to compulsory or financial responsibility law where it is licensed or principally garaged. AUTOMOBILE does not include MOBILE EQUIPMENT; however, self-propelled vehicles with the following types of permanently attached equipment are considered AUTOMOBILES, if the self-propelled vehicles are designed primarily for:
  - a. Snow removal;
  - b. Road maintenance, but not construction or resurfacing; or
  - c. Street cleaning.

The following are not considered an AUTOMOBILE even if they are being towed by or carried on an AUTOMOBILE:

- a. Watercraft, boat, or camping or travel trailer; or
  - b. RECREATIONAL MOTOR VEHICLES.
3. CLAIM means a demand received by a NAMED MEMBER for DAMAGES arising out of an ACCIDENT involving a NAMED MEMBER's AUTOMOBILE.

No CLAIM exists where the only DAMAGES sought or demanded are costs of SUIT and/or attorney's fees.

