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On May 26, 2014 I was requested to complete an examination of information as provided by the Department of Education relative to the Service Contract, School Bus Services, Whitehorse, Yukon, July 2013 – June 2018 (Five Years). A document package was provided to myself by Cyndy Dekuysscher, Director, Finance, Systems and Administration. All documentation as referenced from the Department of Education is available at Appendix "L".

The principle documents revealed that the recipient of this contract, per letter dated April 25, 2013, was [25(1) & 25(2)(d)] Watson Lake Bus Lines Co. Ltd. doing business as Takhini Transport. [25(1) & 25(2)(d)] signed the bid contract at Section 5, on April 10, 2013 acknowledging *"I have carefully examined the specifications together with all other factors affecting the work and hereby propose to furnish the services in the manner called for in the specifications..."*.

On first reading the Service Contract there is a detectable emphasis on safety. Although it is not my intention to critique the structure of the Service Contract it would be surprising that safety not be paramount when the transportation of children is the primary function to be performed by the contractor.

I visited the Takhini Transport website. (See appendix "C") The website has a link to a school bussing site titled "My School Bus Monitor", a free service provided to carriers to help communicate any school bus delays to parents and schools. One statement from this website reads as follows;

"If parents/guardians cannot ensure the safety of their children to and from school the child should be kept at home or other arrangements made for the daily supervision of the child."

I include this statement only as an illustration of expectations in school bussing. The responsibilities of parents/guardians are transferred to Contractor/Takhini Transport and Owner/Department of Education when the child enters the bussing system. A basic and independent picture is presented hi-lighting the requirement for both objective and transparent safety measures within school bussing and the contracts governing it.

Other related documentation as provided myself (See appendix "L") included a variety of documented interactions between Department of Education personnel and Takhini Transport managers. On August 15, 2013 L. Dea Hrebien, Student Transportation Officer, wrote Takhini Transport a letter. "Dear [25(1) & 25(2)(d)] This is to confirm that you must meet all of the terms and conditions of your contract by no later than 3 PM on Tuesday, August 20, 2013. This includes, but is not limited to, confirmation that all vehicles that will be used to deliver the services meet all the specifications of the contract, including the year the vehicle was manufactured and installation of strobe lights and cameras. The year of each vehicle can be confirmed by you providing a copy of the registration. The confirmation of strobe lights and working cameras can be confirmed by you in writing but please note that should we receive information to the contrary, you will be deemed to be in breach of your contract. ... I am looking forward to the new school year and working with you to provide safe and efficient transportation for our school children." The connection between the terms and conditions of

the contract and the safe transportation of school children is again perceptible. The subject of many future exchanges turned to the identified gaps in Takhini Transport's contractual responsibilities. On May 31, 2014 I met with Kimberley Henney, Manager, School Bussing Operations. Ms. Henney was author of a quantity of documents reviewed and had represented the Department of Education in face to face meetings with Takhini Transport personnel. Ms. Henney was well versed in the Service Contract and had been seeking compliance in identified areas of deficiency with Takhini Transport. During this meeting I confirmed that issues with the Service Contract remained.

I completed a second review of the Service Contract and made note of objectively verifiable components with corresponding methodologies toward illustrating compliance. I created a table outlining these features for use in gauging compliance. (See appendix "B") On June 17, 2014 I delivered this investigative aid to Kimberley Henney and requested that she provide me with comprehensive related information from within Department of Education records pertaining to each of my measureable components. This was to include items as generated by the Department of Education and those furnished by Takhini Transport. The contract provides for the Department of Education to be provided relevant information from Takhini Transport.

Section 3, (35) –Upon reasonable notice, the Contractor shall provide YG with access to the Contractor's staff, records and premises for the purposes related to monitoring, reviewing or auditing the activities undertaken in relation to this agreement, and related to the evaluation of the effectiveness or efficiency of the Contract.

On June 24, 2014 Kimberley Henney furnished me with my requested responses. Below I articulate my evaluation of provided information corresponding to tab numbers within the table (see Appendix "B") supporting my findings of **pass** or **fail** with **caution** where necessary.

I assess first the operations of bussing inclusive of drivers as these have the potential to directly impact the Safety of Children. The others I consider administrative in nature.

"Section 3, A, 6, All vehicles used in the provision of services under this contract as covered under the Student Transportation Regulations O.I.C. 1991/69 shall (b) be in full compliance with CSA Standard D250." These School Bus Safety Standards (See appendix "E") complement the earlier identified safety component, "The main purpose of CSA D250 is to provide the safest possible vehicle for students transported in school buses."

- 1) **Section 3, (10)**, The contractor shall ensure that all servicing and repair of the school buses used in the provision of the services contemplated by this contract shall be performed by the holder of a Certificate of Qualification issued by a Province or Territory of Canada as a Truck and Transport/Bus Mechanic at a suitable vehicle service facility. The contractor may also employ registered apprentices working under the direct supervision of said Certified Journey Level Truck and Transport/Bus Mechanic(s). This is generally repeated in Performance Standards at section 3, B., 1., a "Certification of mechanical worthiness by a journey-level certified mechanic prior to beginning contract

and semi-annually thereafter as specified in Section 3." It is noteworthy that the qualifications for the mechanics is detailed twice.

- a. On January 27, 2014 Kimberley Henney met 25(1) & 25(2)(d) in person at Takhini Transports office. 25(1) & 25(2)(d) agreed to provide their mechanic, 25(1) & 25(2)(d) s, certification by January 31, 2014. This remains incomplete.
 - b. The Automotive Service Excellence website (see appendix "F") details rational for certification of the mechanics trades. "We certify the automotive technician and service professionals not the auto shops. ... We test and certify automotive professionals so that shop owners and service customers can better gauge a technician's level of expertise before contracting the technician's services. We certify the automotive technician professional so they can offer tangible proof of their technical knowledge. ASE Certification testing means peace of mind for auto service managers, customers. ...To remain ASE certified professionals must be retest every 5 years to keep up with ever advancing automotive technology. ...Exams are segmented by sub-specialty such as automobile, medium/heavy truck, truck equipment, school bus, collision repair, and more."
 - i. The ASE web site is used only as an example to illustrate that Certification or licensing provides independence and objective assurance toward serving the public interest.
- 2) Section 3, (8),The contractor shall ensure that all vehicles used for this contract are inspected according to CVIP or Commercial Vehicle Inspection Program (PMVI) in accordance with those rules and regulations. All costs of these inspections will be covered by the contractor.
- a. On January 15, 2014 25(1) & 25(2)(d) emailed the Student Transportation Officer, "Subject – 15 August, 2013 letter,"...Inspections are done at the time of purchase (in Alta.) which is accepted by YTG, and inspections are done every 6 months."
 - i. Response to a request for information is received 5 months later.
 - b. In an email dated January 16, 2014 from 25(1) & 2 (Takhini Transport) to Dea Hrebien, Student Transportation Officer, "Takhini Transport insures that all of the school buses which we have operating have all been inspected as per regulations."
 - c. Facility License Numbers S403 and S430, both issued June 7, 2013, to Watson Lake Bus Lines Co Ltd o/a Takhini Transport, are on file and expire July 31, 2014. A single PMVI Inspector training certificate in the name of 25(1) & 25(2)(d) issued October 25, 2010 is on file.
 - d. On July 21, 2014 I attended Yukon Transport Services and obtained a single page from the PMVI Training Manual. (See appendix "G") "Facilities that send mechanics to a PMVI inspector course are responsible for their employees showing up on time for the classroom and practical sessions. They must also ensure that the students have the necessary qualifications before enrollment

(students must be licensed mechanics or, if unlicensed, must have worked as mechanics for 5 consecutive years). Copies of these qualifications are to be submitted to the NSC office in advance or to the instructor at the beginning of the course. Students who cannot provide qualifications ... will not be admitted."

- i. A PMVI Inspector Training Certificate is not proof of certification or licensing of a mechanic as required by the Service Contract.
- e. *Inspection documents are present for 62 buses. The latest inspection date is February 28, 2014. 8 of these inspections expired during this school year prior to June 2014. (Bus 164 – expired 2012, Bus 173 – no inspection date, expired 2014-04-31 (there is only 30 days in April), Bus 174 – inspected 2013-06-26, no expiry listed, Bus 195 – inspected 2013-07-15, no expiry listed, Bus 197- inspected 2013-07-18, no expiry listed, Bus 212 – Inspected 2013-08-15, expired 2014-02-28, Bus 214 – Inspected 2013-07-23, no expiry listed, Bus 216 – Inspected date not legible, expired 2014-05-31)*
 - i. A prima facie case for Transport Services investigation is depicted when supplied inspection documentation as dated end of February 2014 does not include like documentation for buses whose certification would have expired in the months preceding. (egs. Bus 174 inspected on June 26, 2013 would have expired in December 2013, Buses 195, 197 and 214 were all inspected in July 2013 and would have expired in January 2014) The PMVI information from Transport Services (See appendix "G") states *"...buses must be inspected semi-annually."*
 1. On July 17, 2014 I became aware that Takhini Transport holds a second contract with the Department of Education for School Bussing, Rural Yukon. Information relating to PMVI's is mixed and not discernable between contracts with the information as provided by Takhini Transport. The contract requirements in question however are the same across both contracts.
- f. *PMVI vintage records do not match vehicle registration years. (Sample as follows: Bus 162 – PMVI says 2007 Registration says 2008, Bus 163 – PMVI's say 2008 Registration says 2010, Bus 167 – PMVI says 2009 Registration says 2011, Buses 182, 184, 186, 187, 191, 192, 196, 207, 213, 216, 219, 222 – all PMVI's say 2013 and Registrations 2014. The school bus information table as supplied by the Department of Education is as a consequence not reliable.*
- g. *Per Section 3, B., Performance Standards, 1.a.ii, Unscheduled Inspections by the Owner. On February 3, 2014 Kimberley Henney agreed to allow Takhini Transport to pick 7 of 8 buses for unscheduled PMVI inspections. This introduced Contractor bias eliminating the objectivity and transparency in the process. In an email February 4, 2014 25(1) & 25(2)(d) writes, "Kim, These are the serial numbers and units we would like Inland Kenworth to inspect as they are due in February." The 7 buses (183, 204, 200, 205, 206, 188, and 187) receiving PMVI externally at*

Department of Education expense were newer models, 6 x 2014's and 1 x 2013 confirmed by both PMVI and registrations. In the same time period the Contractor performed his own PMVI's on 1 x 2007, 1 x 2008, 8 x 2013, and 2 – 2014's as recorded on PMVI inspection forms.

- 3) **Section 3**, (17), All buses on rural runs (runs outside the boundaries of a community for instance outside the City of Whitehorse limits, e.g., Bus run to Mendenhall) must be provided with the following safety equipment: a thermal blanket for each student and a first aid kit as well as any other equipment legislated by law.
- a. On December 9, 2014 L. Dea Hrebien, Student Transportation Officer, spoke with [25(1) & 25(2)(d)] and followed up by email with the following exchange, "Please confirm with regard to the buses...on rural runs (out of town runs like Mendenhall, etc) have thermal blankets and first aid kits." Takhini responded, "...blankets for all out of town buses, are we required to have one for each child?" [25(1) & 25(2)(d)]. Hrebien, "Not necessarily one per each child on the bus but one per child for the kids that are on the longest. Perhaps a number like 6-10 would be a good number."
 - i. The direction provided Takhini Transport by Hrebien was outside of the detailed expectation in the contract.
 - b. On January 27, 2014 Kimberley Henney and [25(1) & 25(2)(d)] met in person. The buses still required thermal blankets and first aid kits per this contract requirement. [25(1) & 25(2)(d)] agreed to confirm compliance in a letter by February 3, 2014. The letter was not received. On February 3, 2014 Kimberley Henney completed a draft letter for signature by [25(1) & 25(2)(d)] Confirmation of compliance remains outstanding.
 - i. At time of last record in this matter it must be noted that we are approximately two thirds through our winter season.
- 4) **Section 3**, (18), All buses under this contract will be fitted with cameras – either video or digital. If using video equipment, the Contractor will also have sufficient video tapes on hand so that tapes can be rotated. (Minimum of 5 tapes for each camera that can be rotated Monday to Friday. ...Digital memory cards should be available to be read when events occur so they should hold enough memory for a full week of recordings.
- a. On January 15, 2014 [25(1) & 25(2)(d)] emailed L. Dea Hrebien, Student Transportation Officer, in response to her letter dated August 15, 2013. "Strobe lights were installed and working BEFORE the start of the school year, as well as all cameras."
 - b. On January 27, 2014 Kimberley Henney and [25(1) & 25(2)(d)] met in person. [25(1) & 25(2)(d)] agreed to provide a letter of confirmation by February 3, 2013. This was not received. On February 3, 2014 Kimberley Henney prepared a draft letter for [25(1) & 25(2)(d)] signature.

- i. Only minimal subjective comment (five words) exists in support of this category. Receipts for camera's, Memory cards or video tapes are objective examples of information that could have been provided.

- 5) **Section 3, (31), Vehicle Communications**
 - a) The Operator shall maintain a 24- hour telephone answering system, an email and fax service to receive transportation information from the Dept. of Education.
 - b) The Operator shall ensure that each vehicle is equipped with a two-way radio or equally reliable means of communication satisfactory to the Dept. of Education and that contact with the Operator's main dispatcher will be maintained at all times during the scheduled bus routes.
 - a. On January 27, 2014 Kimberley Henney and **25(1) & 25(2)(d)** met in person. **25(1) & 25(2)(d)** agreed to provide a letter of confirmation by February 3, 2014. Was not received. On February 3, 2014 Kimberley Henney prepared a draft letter for **25(1) & 25(2)(d)** signature. Confirmation of compliance remains outstanding.

- 6) **Section 3, (20), Contractor will have COR Certification within 12 months of contract start.**
 - a. As taken from the Northern Safety Network website, *"The Certificate of Recognition (COR) Program is an occupational health and safety certification program for all Yukon employers. COR is a requirement to bid on many Yukon Government tenders/contracts. ...The COR program is designed to: assist companies in the development and maintenance of a company-wide safety program; introduce standardized training; monitor the safety program through annual audits."* (see Appendix "H")
 - b. On April 25, 2013 in the letter awarding Takhini Transport the Contract Cyndy Dekuysscher, Director, Finance, Systems and Administration, related, *"Section 3 (20) of the contract specifications state that you have COR Certification within 12 months of contract start. Please note that a "180 day temporary letter of certification" will not be accepted as fulfilling this condition. You must provide written proof of compliance with full certification by no later than July 1, 2014."*
 - c. On December 9, 2013 L. Dea Hrebien, Student Transportation telephoned **25(1) & 25(2)(d)** and asked, *"Where are you for the COR certification?"* **25(1) & 25(2)(d)** replied, *"Working on it."* The same question was put in an email the same day. The reply that day from **25(1) & 25(2)(d)** at Takhini Transport was, *"COR This is still being worked on..."*
 - i. Takhini Transport has not provided COR certification.

- 7) **Section 3, (15), The Contractor shall ensure that evacuation drills are practiced twice a Year, once in September and once in January by each driver. The Department of Education shall be notified in writing when drills have been held. The evacuation drills**

should be supervised by the driver's immediate supervisor and may be held on a school site or a location provided by the Contractor.

- a. On December 9, 2013 L. Dea Hrebien, Student Transportation Officer, telephoned [25(1) & 25(2)(d)] and followed up by email. *"Please let me know by December 20 so I can put it all to rest before the end of the year. ...The drivers have done their first evacuation drill"*.
 - b. On January 16, 2014 [25(1) & 25(2)(d)] from Takhini Transport emailed the Student Transportation Officer, *"As well the Practice Emergency Evacuations were all completed this past Fall (in September and October). All of this information will be faxed to you shortly."*
 - c. On January 27, 2014 Kimberley Henney met [25(1) & 25(2)(d)] in person at Takhini Transports office. [25(1) & 25(2)(d)] was to provide written confirmation bus by bus. This was received February 3, 2014.
 - ii. I compared this year's driver list and evacuation lists and determined that some drivers performing evacuations are not on the list of drivers. [25(1) & 25(2)(d)] [25(1) & 25(2)(d)]
 - iii. The list of evacuations is very informal with the use of first names only. This presents issues as there are multiple drivers with the same first name [25(1) & 25(2)(d)]
 - iv. The Service Contract states that evacuation drills are to be practiced twice a year by each driver. There are 77 listed drivers and only 51 and 53 respectively participating.
 - v. There is no record of supervision or location for evacuation drills.
- 8) **Section 3, (21)** The Contractor shall employ skilled drivers of good moral character who, in addition to being properly licensed, shall: ... RCMP Security Check, Valid Standard First Aid, Defensive Driving Course, Smart Driver for School Bus Training Program, Yukon Driver Examination and school bus road test, Assertive Discipline for School Bus Drivers.
- a. On December 9, 2013 L. Dea Hrebien, Student Transportation Officer spoke with [25(1) & 25(2)(d)] on the phone and followed up by email, *"Do all the bus drivers have the following: a) RCMP Security Check b) First Aid ... d) Defensive Driving Course e) Smart Driver for School bus Training f) Assertive Discipline Course ..."*
 - b. On December 9, 2013 Takhini Transport [25(1) & 25(2)(d)] stated *"e) Smart Driver Training, we are still awaiting information on what this is...?"* Which prompted the following reply from Hrebien, *"Trying to find the Smart Driver information. It seems to have gone poof!"*
 - c. On January 16, 2014 [25(1) & 25(2)(d)] met personally with a group of Department of Education staff to discuss outstanding compliance issues. [25(1) ...] subsequently requested an extension to February 3, 2014 as the bus drivers were going to take the Assertive Discipline for School Bus Drivers course on Saturday, February 1, 2014.

d. A spread sheet (See Appendix "J") was provided as prepared by Department of Education from information as received from Takhini Transport illustrating as follows within 77 bus drivers;

- i. 8 without RCMP checks
- ii. 15 without required first aid
- iii. 23 without Defensive Driving
- iv. 21 without Smart Driver for School Bus Training
- v. 11 without Yukon Driver Examiner Road Test
- vi. 13 without Assertive Discipline training

1. On July 17, 2014 I became aware that Takhini Transport holds a second contract with the Department of Education for School Bussing, Rural Yukon. Information relating to Drivers is mixed and not discernable between contracts with the information as provided by Takhini Transport. The contract requirements in question however are the same across both contracts.

9) **Section 3**, (26), The Contractor shall make the provisions of articles 21,22,23,24 and 25 above mandatory conditions of employment with each of its bus drivers, whether full-time or part-time, or casual. Breach of any of the foregoing provisions by a driver shall entitle the Owner, in its sole discretion, but nevertheless acting reasonably under the circumstances, to notify the Operator that the driver in question must be immediately removed from providing any services that are the subject of this Agreement either on a temporary or permanent basis, and the Operator agrees to forthwith effect such removal on demand of the Owner.

- a. January 16, 2014 in person and January 20, 2014 by email Kimberley Henney communicated to Takhini Transport managers this outstanding issue. On January 27, 2014 in person she again addressed this matter with **25(1) & 25(2)(d)** who was to comply by February 3, 2014. On February 4, 2014 Kimberley Henney drafted a sample letter for use in remedy to this outstanding issue and forwarded it to Takhini Transport. As per the spread sheet provided (see Appendix "J") as prepared by Department of Education from information provided by Takhini Transport it illustrates 26 drivers remain non-compliant.

10) **Section 3**, (27), Annual driver abstracts of persons employed as bus drivers in the provision of service under this contract shall be maintained by the contractor and will be available to the Owner upon request.

- a. As per the spread sheet provided as prepared by Department of Education from information provided by Takhini Transport it illustrates 7 drivers remain non-compliant.

OTHER

- 11) **Section 3, (36)**, The Contractor will, on November 1 and April 1 of each year, provide a written report to the Department of Education showing the following information; a) For Drivers i) Successful completion of RCMP Level 3 security check. ii) Possession of a valid Standard First Aid Certificate. iii) Successful completion of a government approved defensive driving course. iv) Licensing and Driver's abstracts. v) Completion of Assertive Discipline workshop. b) For Buses i) Mechanical Certification ii) Evacuation Completion Dates.
- a. Reporting on buses and drivers is made subject of a separate contractual clause showing the importance placed within these categories.
 - b. See #8 and #10 above. Reporting Drivers RCMP checks, First Aid, Defensive Driving, Driver Abstracts and Assertive Discipline workshops remains incomplete and was untimely.
 - c. See #2 above. Reporting on buses is incomplete and was untimely.
 - d. See #7 above. Reporting on evacuation drills is informal and untimely.
- 12) **Section 3, (32)**, The Contractor will maintain a web site showing all bus routes. There will be a link from Education's website to the Contractor's website. No changes to bus routes or stops will be made unless approved by the Department of Education in writing.
- a. On July 29, 2013 L. Dea Hrebien, Student Transportation Officer, sent a letter to Takhini Transport ...*"Please note that the bus schedules should be on your website by August 1. Please forward your website link to us so we can put a link to your site on our Education website."*
 - b. On December 19, 2013, a contractual change was agreed to, *"Yukon Education will maintain a website showing all bus routes. There will be a link from Takhini Transport's website to Yukon Education's website."*
 - c. Takhini Transport Home Page (see appendix "C") continues to present with notes relative to School Bus schedules. *"Please note that all of our schedules are subject to changes. Please look carefully at the schedules since there are some changes this year, particularly for students attending FH Collins, Vanier Catholic Secondary Schools, in particular 21, 25, 30, and 10 have changes"*. It contains 5 links; Government of Yukon, My School Bus Monitor, School Bus, Contact Us and Search. Only the School Bus link opens to provide a working link to the Department of Education School Bus Schedule. If the search link is opened and a search performed using the word schedule you are directed to a drop down list of 40 school bus schedules as created in September 2013. The link to My School Bus Monitor opens however it does not appear to be working. Takhini Transport is not on their list of participating carriers. (see Appendix "D")

- i. The Takhini Transport web site does not present with a home page link to the Department of Education bus schedules. It offers potential confusion for clients.

13) Complaints/Emergencies/major mechanical issues

- a. Nothing for review provided.

14) Section 4, (9), The contractor may be required to provide proof that it has a Yukon Government or Municipal business license appropriate for the location of the work under the contract.

- a. On January 16, 2014, [REDACTED] 25(1) & 25(2)(d) met with a group from Yukon Education and discussed outstanding compliance issues. "Section 4: General Conditions of the Contract WLBC to provide to Yukon Education: page 22 9. Business License."
 - i. No Business License has been provided.

15) Section 4, (10), The Contractor must provide evidence of ongoing compliance from the Yukon Worker's Compensation Health and Safety Board throughout the five years of the contract.

- a. July 2, 2013—Received confirmation of Workers Compensation.(See Appendix "I")

16) Section 4, (22), The Contractor will submit monthly invoices. Subject to verification by the owner, payment of the Contractor's invoice for work satisfactorily completed will be made not later than 30 days after receipt thereof. As the price is not subject to GST, the Contractor's invoice is to show the amount claimed for work satisfactorily performed excluding GST.

- a. In a letter dated March 24, 2014 Deputy Minister Val Royle addresses Takhini Transport, "I write in response to your request to receive payments on the 15th of each month. Once a contract is signed, it becomes the document which guides all of the interactions between the two parties. The contract you signed with Yukon Education for bussing children to and from school states that invoices will be paid within 30 days of receipt. ...While we did make two exceptions to accommodate the start of school year and Christmas, it will not be adjusted for the entire contract. ...it is a change in the terms of the tender which makes it unfair to other potential contractors."

17) Section 4, (24), The Contractor will pay all valid claims for wages and other expenses it incurs in respect of the contract, as and when such claims become due. If the Contractor fails to do so, the Owner may do so and deduct from monies owing to the contractor such sums...

- a. No related documentation provided.

18) **Section 4**, (27), The Contractor, during the period of time the Contract is in force and during any warranty period stated in this contract, will provide, maintain, and pay for the following insurance with minimum policy limits as specified below, in forms and with insurers acceptable to the Owner. Commercial General Liability Insurance with a minimum liability limit of \$2,000,000...Automobile Insurance in accordance with all applicable legislation covering all vehicles used in the performance of the contract; The policy limit shall be not less than \$10,000,000 inclusive for Legal Liability for Bodily Injury of Death of any person or damage to property. ...

- a. A certificate of insurance dated July 2, 2013 from Aon Reed Stenhouse Inc. covering the period July 2, 2013 to Oct 1, 2013 is provided. (Missing \$10,000,000 liability)
- b. In a letter dated July 29, 2013 L. Dea Hrebien, Student Transportation Officer writes, *"...upon review of your insurance document, it has been determined that your insurance coverage is not adequate and does not meet the terms. ...This means that on, or before August 14, 2013 you must provide proof of insurance coverage that meets the requirements of the contract."*
- c. A certificate of insurance dated August 15, 2013 from Aon Reed Stenhouse Inc covering the period August 20, 2013 to October 1, 2013 is provided with full liability coverage.
- d. A certificate of insurance February 3, 2014 from Aon Reed Stenhouse Inc. covering the period October 1, 2013 to October 1, 2014 is provided.

19) **Addendum 1**, All vehicles used in the provision of services under this contract as covered under the Student Transportation Regulations O.I.C. 1991/69 shall: a) be model year 2007 or later.

- a. In an internal email May 10, 2014 from Cyndy Dekuysscher, Director, Finance, Systems & Administration to the Deputy Minister Education, *"I just spoke to ^{25(1) & 25(2)} Takhini Transport. The request to allow buses older than 2007 has been denied. When I stated to Pat that the addendum specifically allowing the age of the bus to go from 2010 to 2007 was specifically at their request, she indicated that they also have approx.. 20 older buses that are in good shape and our insistence on enforcing the terms of the tender would cost them approx.. \$1M. My response to that was simply "You bid on the contract with the terms that were in it. ... When I asked if they would be able to confirm that they could meet the terms of the tender I was told they could."*
- b. In a letter dated May 16, 2013 to Takhini Transport Cyndy Dekuysscher writes, *"On May 10, 2013 Yukon Education also confirmed verbally that the tender requirements would not be amended to allow buses older than 2007 to be used."*

Please confirm that Watson Lake Bus Lines Co. Ltd. has now ordered the necessary buses."

- c. In a letter dated May 29, 2013 from Western Canada Bus to Yukon Education they write, "*Western Canada IC Bus Inc is the IC Bus dealer for Western Canada and the northern territories. As the dealer we will be providing 25(1) & 25(2)(d) all the required school buses. All units required are available to 25(1) & 25(2)(d) with mid to late July delivery.*"
- d. *Commercial Vehicle Inspection Report for Unit #158 dated January 9, 2014 and its corresponding vehicle registration indicates this unit is a 2005.*

SUMMARY

My review identified two specific areas of concern with the Department of Education relating to their interaction with Takhini Transport. On December 9, 2013 their representative suggested a course of action other than that as detailed in the Contract relative to thermal blankets on rural bus routes. In February 2014 their representative facilitated Contractor bias in unscheduled PMVI inspections. Both incidents occur within a broader context of the Departments discernable commitment to Contractual compliance. The creation of business management type tables and letters for use by Takhini Transport is testimony to the level of assistance provided by the Department of Education in promoting Takhini Transport's opportunity for success with the Service Contract.

Takhini Transport was awarded this contract on April 25, 2013, some 15 months ago. In this period of time the Owner of the Contract, the Department of Education, has identified many gaps in Takhini Transports execution of the terms and conditions of the work. The Department of Education has engaged Takhini Transport in attempts to remedy these issues and my findings are based in part on the weighing of their responses or non-responses to issues presented them. Generally and specifically Takhini Transport has been provided abundant time and aid in answering relative to their contractual responsibilities.

My detailed assessment of selected components of the Bussing Contract are recorded above and the results are recorded on the table at Appendix "B". An illustration is now available readily identifying areas of concession within this contractual relationship. Objective compliance is minimal.

At the outset of my report I commented on the detectable emphasis on safety within the Service Contract. My documented results in this review reveal significant compromise.

25(1) & 25(2)(d)

Apex Investigative Services

2014-July-23