

**Comprehensive List of Recommendations**

- 1. Continue having favorable compensation at current levels to maintain competitive advantage in teacher recruitment and retention.***

RESPONSE:

Concur: We would hope to receive funding to continue to keep a competitive edge over our neighboring districts to maintain a competitive advantage in teacher recruitment and retention.

TARGET DATE: on-going

- 2. Require that RPS management justify the reason for current staffing levels, including a review of the administrative duties of both the Principal and Assistant Principals.***

RESPONSE:

Concur: Based on our internal study of current staffing levels, we do not believe it is in the best interest of the children we serve to reduce staff levels down to SOQ guidelines, which are minimum staffing levels. However, we will continue to evaluate our staffing levels as we consolidate, close and build new schools.

Reasons why RPS has traditionally staffed above State SOQ standards include:

- Additional instructional resources are required by RPS students to reach high levels of success
- Many students attending RPS come to school requiring instructional services far above SOQ funded minimums. For example, RPS exceeds the State average in its percentage of students qualifying for Free & Reduced Lunch (VA = 33%; RPS = 70%) and in its percentage of students qualifying for Special Education Services (VA = 14.7%; RPS = 19.6 %)
- Richmond citizens traditionally have embraced the concept of small neighborhood schools
- RPS has qualified for and secured substantial non-local resources (grants) which are reflected in our per pupil costs

TARGET DATE: on-going

- 3. In order to evaluate possibilities of delegating administrative functions currently performed by the Principal and Assistant Principals, conduct a study of appropriateness of administrative staffing throughout RPS and reassign duties to existing administrative personnel.***

RESPONSE:

Concur: Human Resources and Internal Audit will do a position study of all administrative positions including principals and assistant principals to determine appropriate staffing.

TARGET DATE: March 2008

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**4. *Eliminate staffing that is considered excessive for instructional purposes.***

RESPONSE:

Concur. The 2007-2008 approved budget request proposes elimination of 5 elementary and 1 high school assistant principals for a salary and benefit savings of \$556,834; 4 elementary, 2 middle and 5 high school guidance counselors for a salary and benefit savings of \$784,300; and 2 middle school clerical staff for a salary and benefit savings of \$102,600. Overall total salary and benefit savings would be \$1,443,734. As future closings of old schools and the building of larger schools are made, staffing levels will be adjusted.

RPS proposed FY2007-08 staffing for schools is as follows:

- One assistant principal for schools with 300 students or greater
- One elementary guidance counselor per building
- Two middle school guidance counselors per building, with the exception of Elkhardt and Albert Hill Middle Schools
- Three comprehensive high school guidance counselors per building
- Two middle school clerical personnel per building, with the exception of Binford and Elkhardt Middle Schools

**5. *Grant the City Auditor's Office full access to the School Division's records, information and personnel during future projects.***

RESPONSE:

An agreement was reached with the City Auditor to provide automated and hard copy reports as requested. In addition, requested flat files were given for specific areas. We strongly believe that the established agreement would work on any future projects with the City.

The RPS staff adhered to the instructions of the Superintendent and the School Board Chairman. The staff was cooperative and understood that the City Auditor was to be provided full access to information and personnel. If the requested information was available, it was provided to the City Auditor's staff. Due to other job related priorities, we acknowledge that our response time on some audit requests took longer than expected. It is unfortunate that untimely responses were characterized as staff being reluctant and their participation as being marginal at best.

It is the intention of the School Board, now and in the past, to fully comply with audits. We regret if this failed to happen and would like to know specific instances of where this failed to happen so that we can avoid these problems in the future.

**6. *Require Internal Audit to conduct their work in accordance with Generally Accepted Government Auditing standards, which would include receiving a peer review every three years.***

RESPONSE:

Concur. Internal Audit Services work is currently performed following the *International Standards for the Professional Practice of Internal Auditing* in conjunction with the *Generally Accepted Government Auditing Standards*. RPS Internal Audit function

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performs audit and consulting services for the district. We are in the process of preparing for a peer review to be conducted by June 2008.

TARGET DATE: June 2008

**7. Determine if the RPS Internal Audit function is effective in:**

- *identifying internal control deficiencies,*
- *detecting non-compliance with laws, regulations, and policies;*
- *identifying fraudulent and illegal acts, and*
- *evaluating efficiencies and effectiveness of RPS operations*

RESPONSE:

Concur. Past audits conducted by RPS Internal Audit Services have identified internal control deficiencies; detected non-compliance with laws, regulations, and policies; identified fraudulent and illegal acts; and evaluated the efficiency and effectiveness of RPS operations. Internal Audit Services, a valuable and effective function, is currently utilizing internal quality assessment surveys. In addition, the Chief Auditor meets with the Finance, Budget and Audit Committee on a monthly basis. The schedule of planned audits will be discussed at the next Finance, Budget and Audit Committee meeting. The peer review, mentioned in response number 6 and scheduled for June 2008, will provide an independent verification of the effectiveness of RPS Internal Audit Services.

TARGET DATE: June 2008

**8. Require RPS management to justify the reason for the current staffing levels. Eliminate staffing that is considered excessive for administration purposes.**

RESPONSE:

Concur. This recommendation was based on 2005 data. We do re-evaluate our staffing levels annually. The 2005-2006 budget eliminated 8 positions from administrative and support staff, the 2006-2007 (current year) budget eliminated 73 positions from administrative and support staff, and the 2007-2008 approved budget request proposes elimination of 93 positions (45 custodians, 3 groundskeepers and 45 bus drivers) from administrative and support staff, for a total savings of \$3,455,623 (which does not include foreign language teachers, assistant principals, guidance and clerical staffing addressed in recommendation #4).

The following is the Virginia Department of Education's definition of support services:

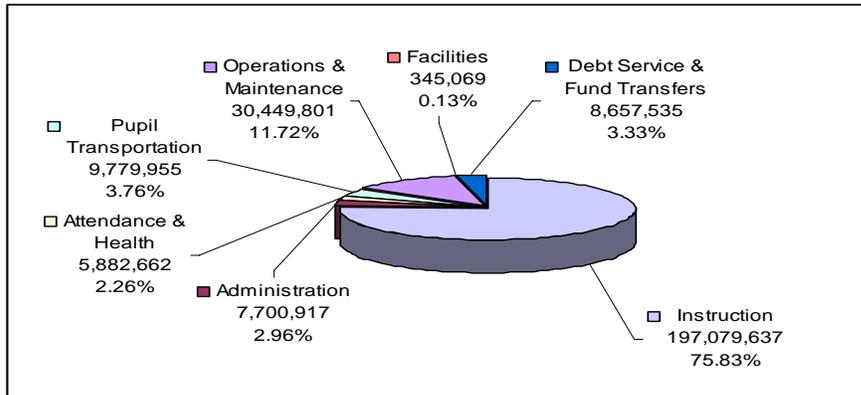
"Each local school board shall provide those support services that are necessary for the efficient and cost-effective operation and maintenance of its public schools. For the purpose of this title, unless the context otherwise requires, "support services" shall include services provided by the school board members; the superintendent; assistant superintendents; student services (including guidance counselors, social workers, and homebound, improvement, principal's office, and library-media positions); attendance and health positions; administrative,

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technical, and clerical positions; operation and maintenance positions; educational technology positions; school nurses; and pupil transportation positions.

As the chart below indicates, Richmond Public Schools administrative cost component (not including attendance & health) is less than 3% of the general fund operating budget.



**9. Evaluate alternatives to improve administrative staff efficiency.**

RESPONSE:

Concur. Human Resources and Internal Audit will perform desk audits to determine the most effective utilization of personnel resources as funding becomes available.

TARGET DATE: July 2008

**10. Establish a plan of action to increase the participation, especially for the free and reduced meal programs. Include targets and action steps to meet the plan objectives.**

RESPONSE:

Concur. Increasing participation and feeding as many of our students as possible is an RPS priority. Based on the audit findings, Richmond City's breakfast participation was higher than all of the peer groups to which we were compared (Newport News, Norfolk, and Hampton). Additionally, RPS' lunch participation was second only to Newport News.

The Nutrition Director will establish a written plan of the targets and action steps that have been put in place to further increase participation including:

- Continue to hold monthly cafeteria promotions at elementary and secondary levels.
- Continue to test and introduce new and popular products that students like.
- Continue to look into and introduce more branded concepts. For example, this year we introduced Little Caesar's at the secondary level.

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The food court option noted in the recommendations is an excellent idea that has been considered by RPS. However, the cost of renovations does not make this option economically feasible at this time.

TARGET DATE: June 2007

***11. Require the Nutrition Director to evaluate each school's labor productivity and address the cause of low productivity in high schools and middle schools.***

RESPONSE:

Concur. The Department of Nutrition Services had an evaluation performed by *inTeam Associates, Inc.* in July 2005. The Nutrition Director was already implementing this recommendation and will continue to implement other recommendations made by *inTeam Associates, Inc.* The evaluation of each school's labor productivity will be ongoing.

***12. Require the Nutrition Services Director to report implementation status of and benefit derived from the consultant's recommendations.***

RESPONSE:

Concur. On December 6, 2006, the Nutrition Services Director emailed the City Auditor's Office, the implementation status of recommendations from *inTeam Associates, Inc.* This information is reported in the City Audit (pages 51 – 52). The Nutrition Director will continue to evaluate the recommendations and, in as much as possible, report the benefit derived from those recommendations that have been implemented. Some outcomes may be based on numerous factors and may not solely be based on the consultants' recommendations.

TARGET DATE: December 2007

***13. Require RPS finance administration to use an interest earning bank account for investing the cash balance currently held in its regular business checking account.***

RESPONSE:

Concur: RPS funds are held in one of the City's bank accounts and the City CFO is the authorized signer of the checks. Therefore, the City must implement this change with the bank. We have sent a letter dated February 9, 2007 requesting that the City implement this recommendation as soon as possible. The City's CFO has indicated (via e-mail) that he will implement this recommendation. RPS will request to receive the interest earned.

TARGET DATE: July 2007

***14. Implement proactive purchasing strategies, including upfront planning for the identification of procurement needs and on-going communication with the divisions in order to add value.***

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RESPONSE:

Concur: The RPS Division of Purchasing will work with schools and other departments throughout the district to implement upfront planning and purchasing strategies to increase efficiency of our procurement process. We will continue to provide on-going training to locations and vendors. We will develop performance measures that will be evaluated annually.

TARGET DATE: October 2007 - establish performance measures  
August 2008 - evaluation process will be on-going

***15. Using the Code of Virginia as a guide, strengthen RPS procurement policies to ensure the most economical means of procurement with adequate controls.***

RESPONSE:

Concur. RPS procurement policies and procedures are written in accordance with the Code of Virginia and the Virginia Public Procurement Act (VPPA). The chart used by the City Auditor referenced the State Agency (DGS) Procurement procedures and not the VPPA. RPS and other Virginia school districts must comply with the Code of Virginia and the VPPA. We will continue to use these guidelines to ensure goods, supplies and services are procured properly. We will evaluate compliance annually.

***16. Establish monitoring controls to periodically review smaller dollar purchase activity (especially blanket purchase orders).***

RESPONSE:

Concur: The Division of Purchasing will establish measures to monitor the control of blanket purchase orders generated by schools/departments within RPS. These measures will be evaluated for compliance on an annual basis.

TARGET DATE: July 2007

***17. Lease computers rather than purchasing them in order to smooth budget spikes, facilitate standardized personal computers, and provide an effective disposal strategy for used machines.***

RESPONSE:

Concur. The RPS 2007-2008 approved budget request proposes cost savings from leasing computer and other equipment. Savings in this budget are limited because almost all of our classroom computers are now purchased with grant funds that prohibit leasing equipment. The Department of Information Technologies has requested funding for a computer replacement cycle during each of the past four budget years. Funding of a four year replacement cycle, as recommended elsewhere in the audit report, will allow us to lease more computers and free grant funds for other technology improvements.

The table below shows a proposed four year replacement cycle based on current inventory of almost 12,000 computers. Current pricing levels are used and we assume one fourth of the replacement inventory will be laptop computers. Annual leasing costs are projected to be one fourth of the purchase price plus 3.8% interest.

	Year 1	Year 2	Year 3	Year 4	Annual Lease Expense
No. computers replaced	3,000	3,000	3,000	3,000	
Replacement costs	\$2,610,000	\$2,610,000	\$2,610,000	\$2,610,000	
FY09 leasing costs	\$677,295				\$677,295
FY10 leasing costs	\$677,295	\$677,295			\$1,354,590
FY11 leasing costs	\$677,295	\$677,295	\$677,295		\$2,031,885
FY12 leasing costs	\$677,295	\$677,295	\$677,295	\$677,295	\$2,709,180

After the fourth year, the replacement cycle would restart and the ongoing annual lease expense would be approximately \$2.7 million.

***18. Consider negotiating inclusion of technical support including replacement parts, loaner programs, and expected service levels when entering into leasing agreement.***

RESPONSE:

Concur. Upon entering any leasing agreements, we will consider negotiating inclusion of technical support, replacement parts, loaner programs and expected service levels.

***19. Delegate RPS' infrastructure maintenance and upgrade to the City's Department of Technology (DIT) by entering into a service level agreement with the City.***

***20. Ensure that the service level agreement includes an ongoing evaluation to meet changing education needs and relevant funding for future upgrades.***

***21. Eliminate amounts currently spent on infrastructure maintenance and upgrades by RPS.***

RESPONSE: FOR RECOMMENDATIONS 19, 20 and 21.

Do not concur. The loss of the E-rate discount (\$1.2 million), required upgrades to the City network, and a larger city staff will likely result in an overall increase in cost to the taxpayers. RPS has recently entered into a three year agreement with Verizon through the Commonwealth of Virginia to upgrade our data network. Under the terms of the agreement, RPS will have no construction costs to bring upgraded services to school property.

RPS contacted the Schools and Libraries Program of the Universal Service Fund (E-rate) to discuss this recommendation. E-rate staff indicated that network services provided by City of Richmond to RPS would not be eligible for E-rate discount. RPS' current E-rate discount for network services is approximately \$1,200,000 annually. The RPS' network is three times larger than City of Richmond. The additional load of serving the schools is likely to require upgrades to the network and additional staffing will probably be

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required. The impact of internet content filters, student privacy laws, and other state and federal requirements unique to K-12 school systems will need to be reviewed.

***22. Require RPS to join efforts with the City of Richmond to contract for Voice over Internet Protocol telephone service.***

RESPONSE:

Do not concur. In 1999, RPS decided to proceed with a telephony architecture that decentralized the operation and allowed RPS to participate in the Federal Communication Commissions' (FCC) E-Rate program administered by the Schools and Library Corporation (SLD). This program allows RPS to receive significant discounts for telecommunications and internet services, unlike the City.

RPS currently uses a telephony network architecture that is a combination of both traditional and digital telephony technologies, and this platform will allow for the transition to Voice Over Internet Protocol (VOIP) once it becomes a proven industry standard and is more cost effective. Any transition to a VOIP architecture must examine the cost considerations of the transition, including both start-up costs and more importantly, annual recurring costs. The estimated cost for RPS to make the switch to VOIP is approximately \$2.5 million in start-up equipment and upwards of \$8 million annually in recurring costs to keep it operational. Today, RPS possesses a telephony investment worth over two million dollars and it provides an up-time service delivery level exceeding 99%. This cost effective service level arrangement has been achieved through competitive bidding and negotiating telephony contracts with Local Exchange Carriers, product vendors, as well as utilization of the Commonwealth of Virginia and Department of Information Technology contracts.

***23. Hire additional Instructional Technology Resource Teachers to comply with the Virginia Department of Education's Standards of Quality.***

RESPONSE:

Concur. RPS was unable to find a sufficient number of qualified applicants to fill all the available positions for 2006-2007. These positions will be a focus of recruiting for 2007-2008.

Target Date: on-going

***24. At a minimum, RPS needs to comply with the Department of Education's requirement, which means 10 additional technical support staff needs to be hired.***

RESPONSE:

RPS already complies with VDOE (Virginia Department of Education) requirement of one technical support position per 1,000 students. State Superintendent's Interpretive Memo No. 1, dated January 14, 2005, indicates that technical support positions include individuals providing direct service for computers, networks, servers, and telephones.

As indicated in our response to recommendation # 25, we will prototype the use of thin client technology and evaluate its impact on support staffing requirements.

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***25. Implement thin client technology in the classroom to better serve teacher and student users; while reducing administrative costs.***

RESPONSE:

A “thin client” is a user interface to a remote computer. The audit describes a thin client environment where all processing is done on remote servers located at a central site. The user will have a monitor, keyboard and mouse but not a computer processor unit. Many schools and small school districts are using thin client technology but few are using the model suggested in this report. Many schools have reported difficulties with sound, streaming video and graphic intensive applications in a thin client environment. Users of thin clients and the manufacturers of thin client hardware indicate the need for maintaining some number of “thick” or regular PCs in each classroom and office. Software licensing issues in the RPS environment could result in significant additional costs. However, many schools report overall cost savings and we concur with the need to investigate the impact of thin clients in our environment. RPS Department of Information Technologies, in conjunction with the Department of Instruction, will initiate a prototype classroom, computer lab, and administrative office to evaluate the costs and benefits to RPS. The project will be undertaken using the protocol of RPS Balanced Scorecard and the findings will be presented to the Board’s Curriculum Committee and the Finance, Budget and Audit Committee.

TARGET DATE: January 2008

***26. RPS’ Department of Information Technology should assist in the planning and implementation of all new systems.***

***27. Provide adequate training to staff enabling them to effectively utilize the procured computer system for operational and management purposes.***

RESPONSE: FOR RECOMMENDATIONS 26 and 27.

Concur. We will use the RPS Balanced Scorecard protocol to facilitate planning and implementation. This protocol includes advanced definition of desired results, project team organization; deliverables; project scope and schedule; and timely updates. Training and on-going support will be included in the project deliverables and schedule.

TARGET DATE: on-going and will be added to the 2007 Balanced Scorecard

***28. Require RPS administration to adopt a formal preventive maintenance and replacement program based on systematic short and long range planning.***

RESPONSE:

Concur. RPS agrees to expand its formal preventive maintenance plan which currently is targeted on several specific areas including:

HVAC system filters and belt replacement  
Fire extinguisher maintenance  
Boiler chemical balancing & retubing  
Elevator inspections  
Smoke detector maintenance

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Mechanical lifts maintenance located across the district  
Roof drains maintenance  
Roofs annual exterior inspection  
Painting schedules

The expanded program will utilize the FAMIS application to help schedule and track planned asset replacements and repairs. Also, staff will study the possibility of outsourcing this function.

TARGET DATE: October 2007

***29. Justify costs in order to obtain needed budget appropriations.***

RESPONSE:

Concur. The formal preventative maintenance and replacement program, once implemented, will provide additional data to help better justify the budget appropriations needed to maintain RPS facilities. In addition, once this program is implemented, its database will be incorporated into the departmental Balanced Scorecard for monitoring and analysis.

TARGET DATE: October 2007

***30. Upon establishment of a proper preventive maintenance program re-evaluate and justify Facilities Maintenance staffing.***

RESPONSE:

Concur. Once the preventative maintenance program is implemented, RPS staff will be able to use data generated by this program to help better justify budget appropriations needed to provide adequate staffing in Plant Services. Staff will use the FAMIS application to capture data related to facility maintenance. This data will be used to measure facility repair trends and help keep the district's facilities operating at optimum levels. The Department will use its Departmental Balanced Scorecard to monitor workload levels and quantify productivity levels.

TARGET DATE: January 2008

***31. Establish detailed procedure manuals for maintenance staff.***

RESPONSE:

RPS has updated its Plant Services procedures manual and this information will be posted on the district's website for system wide access.

TARGET DATE: May 2007

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***32. Establish a customer satisfaction survey process with follow-up procedures.***

RESPONSE:

Concur. The current RPS work order management system (FAMIS) will be modified to capture information related to customer satisfaction and job completion. The system will also be modified to capture additional comments related to the specific performance of any individual job handled by Plant services staff. The information will be used by management for analysis and periodic reporting. RPS uses customer service surveys in connection with the District's Balanced Scorecard. All future customer service surveys will include questions related to Plant Services activities.

TARGET DATE: September 2007

***33. Add performance measurement standards for functional units and job classes to help analyze the service efficiency and effectiveness, and analyze this information for employee performance evaluations.***

RESPONSE:

Concur. RPS agrees that expanding the use of performance measures will help management to better gauge service level effectiveness and efficiency of each functional trade area. Additionally, this information will provide data for employee performance evaluations. These measures will be developed and refined and included in the Plant Services departmental Balanced Scorecard.

TARGET DATE: January 2008

***34. Establish a process to track and evaluate service response times.***

RESPONSE:

Concur. RPS will use FAMIS, which includes additional modules, to improve the tracking and evaluation of functional unit service response time.

TARGET DATE: on-going

***35. Periodically review the Facilities Maintenance Unit to determine effectiveness and efficiency in terms of product output, unit cost or productivity and service quality.***

RESPONSE:

Concur. RPS agrees to conduct reviews of its facility maintenance unit (trade areas), using FAMIS, to measure their productivity, service level quality, and unit cost competitiveness. This review will be incorporated into the Department's Balanced Scorecard for management reporting purposes.

TARGET DATE: June 2007

***36. Establish a policy that requires a representative from user groups be involved in the selection and implementation of the software applications.***

RESPONSE:

Concur. The Department of Information Technologies will use the Balanced Scorecard protocol for facilitation planning and implementation. This protocol includes definition of desired results; project team organization; deliverables; project scope and schedule; and timely updates. Representatives from user groups will be included in the organization of the project team and the project team will develop the list of desired results and deliverables.

TARGET DATE: on-going

***37. Contact FAMIS to negotiate training pricing for all modules available through On-Demand.***

***38. Take advantage of the Web-X Training Session offered by FAMIS and become a member of ListServ to assist in staff training.***

***39. Obtain additional training from FAMIS, if needed, to gain a full understanding of the features and capabilities.***

RESPONSE: FOR RECOMMENDATIONS 37, 38 and 39.

Concur. Training on the reporting module of FAMIS was conducted in January 2007. FAMIS staff will return to Richmond before June 30, 2007, to review RPS' usage of the system and make recommendations for additional training. RPS Department of Information Technologies will facilitate the implementation of these recommendations.

TARGET DATE: June 2007

***40. Contact FAMIS to explore the possibilities of interfacing the application with CIMS. (By interfacing the systems, the need for double keying and recordkeeping would be eliminated. The systems should be able to share data such as chart of accounts, employee profiles, vendor profiles, fixed assets and accounts payable data)***

RESPONSE:

Concur. RPS Department of Information Technologies will contact FAMIS and facilitate this review.

TARGET DATE: April 2007

***41. Assign a qualified individual that can devote sufficient time to administer the FAMIS system. Ensure that this individual has adequate training and expertise for the function.***

RESPONSE:

Concur: RPS agrees that to properly administer the FAMIS application, an employee within Plant Services needs to be designated to champion the effort. The Assistant Director for Plant Services will be assigned this duty and responsibility. In addition, a training and staff development on this application is underway. Key supervisory and

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support staff in the department will be trained to use this system and our goal is to ensure that this application is used to its fullest extent to support RPS operations.

TARGET DATE: July 2007

***42. Implement all the recommendations made by Energy Efficient Solutions. (Exhibit A )***

RESPONSE:

RPS has reviewed both the general and specific recommendations in this report. However, agreeing to implement them in total, as outlined in Appendix A, will commit the School Board to a plan of action that the Administration cannot support. Out of the 12 recommendations, there are 8 recommendations that we concur with and will pursue and there are 4 recommendations that RPS does not concur with for reasons of safety, cost, or regulatory violation. The eight recommendations RPS concurs with include:

1. Require that all school personnel receive energy awareness training twice a year
2. Provide students with an instructional energy education program
3. Perform an energy audit on all RPS facilities
4. Include an energy efficiency evaluation component in all personnel evaluations for all school administrators and key administrative staff
5. Clean all lamps and lights in the district
6. Approve a policy restricting the type and number of personal appliances allowed in classrooms
7. Change HID (High Intensity Discharge) lights in gyms in all schools
8. Replace all incandescent lamps with compact fluorescent lamps

Note: the last two items will be performed over time/schedule to be developed

The four recommendations RPS does not concur with include:

1. Replace all parking lot lights with fluorescent lights – RPS staff believe this is a safety hazard
2. All classroom lights should be maintained at 55 CFP (candle foot power) – This violates VDOE Facility Guidelines which state all classroom lighting should be at least 70 CFP
3. More HVAC controls should be put in place across the district – RPS staff believe this recommendation will be costly, is likely to upset existing indoor air quality levels, and may create additional IAQ problems across the district
4. Establish an energy management plan that reduces energy costs by 30% in five years compared to FY07 spending levels – RPS staff believe this level of energy cost reduction is unachievable and will restrict facility use to levels that are unreasonable.

We will confer with the City Auditor to re-evaluate these recommendations.

TARGET DATE: June 2008

***43. Conduct a full energy audit of all RPS facilities to identify further savings.***

RESPONSE:

Concur and investigate. Staff will prepare an RFP for this purpose to solicit responses. In addition, RPS is seeking membership status with VSBN (Virginia Sustainable Building Network) to jumpstart the effort of forming partnerships with a host of agencies whose collective mission is focused on helping K-12 organizations improve in terms of energy efficiency; energy conservation; green building and green construction; and so forth. The first step will be to see if a partnership can be formed to provide the district with a full energy audit of all RPS facilities to identify savings.

TARGET DATE: August 2007

***44. Develop detailed written policies and procedures related to energy use and conservation measures.***

RESPONSE:

Concur. Staff is already preparing written policies and procedures related to energy use and conservation measures. We will monitor the implementation of these established policies and procedures on an annual basis.

TARGET DATE: June 2007

***45. Analyze energy usage and costs periodically.***

RESPONSE:

Concur. Staff will analyze energy use and measure costs periodically. RPS staff currently runs reports via the FASER (Fast Accounting System for Energy Reporting) application every month to see if any obvious changes in either billing or energy consumption are taking place. This data will be incorporated into the Department's Balanced Scorecard.

TARGET DATE: May 2007

***46. Consistently educate RPS staff about energy conservation methods and the importance of conserving energy.***

RESPONSE:

Concur. RPS staff will educate RPS employees about energy conservation methods as well as the importance of conserving energy. RPS staff will develop messages to be placed on the District's internal web site, along with developing flyers for quarterly distribution. Further, information will be submitted to all school locations and departments for site based communication purposes.

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***47. Require RPS management to authorize facilities maintenance staff to revise the Dominion contract for changes in rates that are more in line with the energy activities.***

RESPONSE:

Investigate. Changes in Dominion Power's rate structure needs to be carefully evaluated as changes in our buildings' usage vary frequently. Staff will perform a cost-benefit analysis to determine the level of savings that may be generated by using the different rate structures offered by Dominion Power. In addition, staff will be requesting to see the City's Internal Audit rate analysis to determine its applicability to RPS.

If the analysis yields an overall savings to the district, then changes to the Dominion Power contract can be sought.

***48. Evaluate the possibilities of outsourcing the custodial function including combining efforts with the City to obtain increased benefit.***

RESPONSE:

Concur and investigate. RPS staff will evaluate the possibilities of outsourcing the district's custodial operations. Staff will also evaluate the City's existing contract for custodial services to ascertain if increased benefits might accrue to the school system through this contractual arrangement. We will request the City Auditor's cost analysis of comparison districts where comparable savings have been realized.

TARGET DATE: June 2007

***49. Hire a consulting firm specializing in physical security of public educational institutions to review overall operations, staffing methodology, staffing adequacy and the use of Best Practices.***

***50. Adjust funding for the program to implement recommendations by the consultants.***

RESPONSE: FOR RECOMMENDATIONS 49 and 50.

RPS will request an assessment by members of the Council of Great City Schools (CGCS), as was done in prior years. Additionally, RPS will request CGCS to assemble a team to examine all aspects of the RPS security services function, comparing existing protocols, staffing levels, operational standards, and security staff activities against industry best practices, as well as measurements of peer group comparisons. Once completed, the administration will be able to present to the School Board potential recommendations for improving the district school security services based on industry best practices and peer group measurements. Applicable recommendations will be factored into our Balanced Scorecard.

TARGET DATE: April 2007 – to make request

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***51. Analyze RPS' deadhead miles to determine the necessary adjustments to minimize the miles.***

RESPONSE:

Concur. We agree that there are opportunities to reduce the deadhead miles through careful routing. Prior to relocating to Belt Boulevard from Overbrook Road, RPS had 1,143,674 deadhead miles in FY 2003/2004. This figure represents a 15% lower mileage total than the suggested reduction goal of 1,331,820, recommended by the Audit Report.

A certain amount of deadhead miles occur in RPS because our High Schools, Middle Schools and Elementary Schools start school at different times and most buses have multiple runs. For example, a bus scheduled for more than one school incurs deadmiles going from one to the other. As part of our annual review of school bus routes in preparation for the 2007-2008 school year, special attention will be given to reducing the number of deadhead miles. We will confer with the City Auditor regarding their calculation for potential savings.

TARGET DATE: August 2007

***52. Reassess the policy for providing out of zone transportation.***

RESPONSE:

Concur. There's a School Board policy for providing out-of-zone transportation for specialty schools and for administrative placement. However, the School Board's approved FY 2007-2008 budget proposal eliminates out-of-zone transportation, except for city-wide programs, federally mandated programs and Special Education services. The savings estimate associated with this action equals \$625,600 and is related to the action involving Binford MS and schools served in the three mega zones. The personnel portion of these savings is also accounted for in the savings in the response to recommendation 8.

TARGET DATE: September 2007 with monitoring and follow up to ascertain effectiveness.

***53. Require RPS Administration to take the necessary steps to improve operating capacity of its buses.***

RESPONSE:

Concur. The approved FY 2007-2008 budget includes the elimination of out-of-zone transportation, which will help improve operating capacity of RPS buses. In addition, we will be implementing routing changes to use more of the seats that are currently empty on Special Education routes to transport regular education students as appropriate. This action is anticipated to save the district \$273,700. The School Board also has proposed changes to the walk-to-stop policies that will allow us to make the routes for the city-wide high and middle school programs more effective and efficient. This action is anticipated to save the district \$860,200. The personnel portion of these savings is also accounted for in the savings in the response to recommendation 8.

TARGET DATE: September 2007

***54. Review and update bus routes periodically to account for a fluctuation in demand.***

## RESPONSE:

Concur. We will continue to review and update bus routes to account for fluctuation in demand. A formalized system of route review by Supervisors will be implemented to spot check routes to ensure proper utilization. A process for updating routes exists now on two levels:

1. Daily: Routes are reviewed and updated as appropriate every day as complaints or requests for changes come in from parents/students, schools or drivers making recommendations.
2. Annually: All routes are reviewed each year during the summer months in preparation for the fall start up. Student records are checked for promotions, address changes, admissions and withdrawals. The routes are then evaluated for safety, efficiency and to ensure each eligible student has a stop and bus assignment.

TARGET DATES: Daily: Effective immediately  
Annually: August of each year.

***55. Use the routing software to its fullest extent.***

## RESPONSE:

Concur. The Supervisor of Transportation Planning and Technology will be tasked with increasing the efficient application of the MapNet routing software. A training session was conducted on-site by Trapeze (The Company that operates the MapNet Software) in December 2006. The Supervisor and staff will participate in another session scheduled for March 2007 and continue as needed.

TARGET DATE: May 2007

***56. Analyze the fleet size in order to reduce costs of maintaining spare buses.***

## RESPONSE:

Concur. RPS staff will continue to analyze maintenance, equipment and personnel costs in order to determine the appropriate fleet size and possible cost savings. We will use the Balanced Scorecard to evaluate our progress.

TARGET DATE: on-going

***57. Develop a bus replacement schedule.***

## RESPONSE:

Concur. A bus replacement schedule will negate the need for RPS having a higher (28%) than industry standard (10%) spare bus fleet. A sample bus replacement schedule is shown below:

The table below represents a proposed bus replacement schedule that assumes an acquisition of 20 buses per year starting in FY 2009. The schedule below assumes that we can start eliminating excess spare buses by FY 2008 because of improved average

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fleet age and dependability, thus accelerating savings from that point on. At the point where our Avg. Fleet age falls below 5 years, the School Board will need to determine guidelines for bus replacement to continue the schedule beyond 5 years. The cost estimates assume an average price of \$70,000 for FY '09 and a 3% increase each year after that.

FY	'08	'09	'10	'11	'12
# of buses	241	236	231	221	211
Buses purchased	0	20	20	20	20
Est. Cost \$Millions	0	\$1.4	\$1.44	\$1.49	\$1.53
Est. buses surplused	5	5	5	10	10
Estimated Avg. fleet age after replacement	10.54 yrs.	9.43 yrs.	7.99 yrs.	5.73 yrs.	4.14 yrs.

TARGET DATE:

Replacement schedule should be approved for the 2007-2008 fiscal year. Fleet Age should be down to a target of below 6 years by FY 2011.

***58. Establish a fund earmarked for bus replacements, which is periodically replenished with appropriate amount needed.***

RESPONSE:

Concur. The \$3.8 million savings is based on the School district's purchase/lease of new buses. RPS has not had funding for any bus replacement in the 2005-2006 or 2006-2007 budgets. The 2007-2008 approved budget request includes replacing 26 buses in the supplemental appropriation request. Future requests will consider including bus replacements in the capital improvement budget. Establishing a replenishing fund is contingent on receiving City funding. Should the supplemental appropriation request be approved by Council, RPS will explore leasing new buses, contingent upon the Council agreeing to the multi-year financing requirements of the lease.

TARGET DATE: on-going

***59. Investigate the feasibility of the purchase options above for upgrading the existing fleet.***

RESPONSE:

Concur and Investigate. We will perform a cost benefit analysis to determine the benefits of leasing vs purchasing of fleet.

TARGET DATE: on-going