

**Transportation Brief**  
The School Bus Purchase Process  
August 1, 2022 Update

**Introduction**

**Purpose**

The purpose of this Transportation Brief is to provide school entities with general guidance and regulatory information associated with the process to purchase new and used school buses.

**Background**

According to the U.S. Department of Transportation National Highway Traffic Safety Administration ([NHTSA](#)), the school bus is the safest vehicle on the road and school buses are the most regulated vehicles on the road.

In the interest of safety and operations expenditure, timely replacement of school buses is a planned process that typically begins a year or more before purchase. A school bus is considered a capital purchase. To avoid significant increase in operations costs, historically the life cycle of a school bus is about 12 to 15 years.

**Maine DOE Transportation**

School transportation information is located on the Maine DOE [Transportation](#) webpage that includes:

- Laws, Rules, and Policies
- Operating a Transportation System
- Programs and Funding
- Data and Publications
- Forms and Reporting,
- Latest Transportation Updates

School transportation teams are strongly encouraged to become familiar with information on the Transportation webpage.

**Records Retention**

School entities must retain school bus purchase documents and local transportation safety and fleet operations documents. Refer to the last section of Code of Maine Regulations (05-071 CMR) Chapters [81](#), [83](#), and [85](#).

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**New School Bus Purchase Process**

Authority to purchase new and used school buses is the local school entity. *School bus purchase is administered at the local level and the school entity must comply with all applicable Federal and State school bus regulations.*

Typically, local business managers and transportation directors work together to plan, authorize, and purchase new and used school buses. While each local school entity may require unique approval steps before making a school bus purchase, after local approval to proceed, *basically*, there are three (3) stages to buy a school bus: 1. fund, 2. bid, and 3. purchase.

**1. Fund**

School entities typically have three (3) options to fund a school bus purchase:

- Local school budget
- State subsidy with Maine Department of Education (DOE) [School Bus Purchase Program](#)
- Federal programs, e.g., U.S. Environmental Protection Agency (EPA) [Clean School Bus Program](#) rebates and grants, U.S. Department of Environmental Protection (DEP) [Diesel Emissions Reduction Act \(DERA\)](#), etc.

Depending on regulations, combinations of funding options may **or** may not be allowed.

**Local funding.** School entities work directly with local loan organizations to secure school bus loans. Consider talking with three different loan organizations to select a loan that is fiscally responsible and best serves the local school entity.

**State funding.** Participation in Maine [School Bus Purchase Program](#) (SBPP) to receive subsidy is voluntary. This State Program establishes procedures for school administrative units to request purchase of *new* school buses and receive subsidy through the Maine SBPP. The SBPP does *not* include *used* bus purchase. The Maine SBPP is governed by Code of Maine Regulations ([05-071 CMR Chapter 85](#)). While [CMR Chapter 85](#) section (5)(5) and [20-A M.R.S. § 5401\(15\)](#) permit new school bus purchases to be cash, loan, or lease, be aware that selecting a lease could prevent a local school entity from access to certain federal rebate or grant programs.

**Federal funding.** Participation in Federal funding programs is typically voluntary. Federal programs that provide funding, e.g., rebates and grants, to replace existing school buses with new school buses may have a requirement to destroy the engine and parts of the old bus to be replaced and could include a requirement that both the old bus and new bus cannot be leased. Here is one lease example.

U.S EPA confirmed for “*Diesel Emissions Reduction Act (DERA) grants and rebates, both the old bus and new bus cannot be leased. Standard vehicle loans are acceptable for buying the replacement bus (in which case, the title would be in the applicant’s name with a lien from the loaner).*”

School entities are urged to carefully review each Federal rebate and grant program requirement before determining if the local school entity will select cash, loan, or lease to purchase a new school bus.

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## 2. Bid

School entities have two (2) choices for school bus bid: Maine State School Bus Bid and Local School Entity School Bus Bid. For a school bus purchase to be eligible for State subsidy the school entity must purchase the bus through the bidder selected through the State of Maine Division of Procurement school bus bid or engage in competitive bidding per [20-A M.R.S. section 5402](#) Bid Procedure for new and used buses. See Administrative Letter #24 on the next page.

### Maine State School Bus Bid

The Maine State School Bus Bid is conducted by the Maine Department of Administrative and Financial Services Division of Procurement Services on behalf of Maine Department of Education. The current Maine State School Bus Bid is valid February 23, 2021 through June 30, 2023.

The current State School Bus Bid Master Agreements are posted online at State of Maine Department of Administrative and Financial Services [Division of Procurement Services](#).

- To view each master agreement, enter **school bus** in the “Search” box.
- To view the school bus Master Agreement for each vendor, click on the MA number located in the “Contract #/Document” column.
- The specifications are located at the end of each Master Agreement.

This is what the State master agreement school bus search screen looks like:

COMMODITIES/SERVICES ^	CONTRACT #/DOCUMENT	PRICE LIST	EXPDATE	VENDOR	BUYER	DEPT
School Buses - Electric Type C 77 Capacity	<a href="#">MA - 21020100000000000076</a>		06/30/2023	The Lion Electric Co. USA Inc.	<a href="#">BILL ALLEN</a>	05A
School Buses - Select Type A1A2, Type A & Type C	<a href="#">MA - 21020100000000000075</a>		06/30/2023	O'Connor GMC Inc	<a href="#">BILL ALLEN</a>	05A
School Buses - Select Type C	<a href="#">MA - 21020100000000000069</a>		06/30/2023	DATTCO INC	<a href="#">BILL ALLEN</a>	05A
School Buses - Type A1A2, Type A, Type C & Type D	<a href="#">MA - 21020100000000000077</a>		06/30/2023	W.C. Cressey & Son	<a href="#">BILL ALLEN</a>	05A

Showing 1 to 4 of 4 entries (filtered from 395 total entries)      Previous **1** Next

The contact person for each school bus vendor or original equipment manufacturer (OEM) is listed on the vendor’s Master Agreement (MA).

School bus purchases are administered at the local level. The OEM, vendor, or both contacts will help school administrators order school buses to meet Federal and State regulations, select additional local school bus options, place orders, track order delivery status, and answer shipping, quality, and other questions pertaining to the MA contract. Local school administrators are encouraged to carefully read each MA to understand school bus purchase terms.

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The Maine State School Bus Bid is for a *base model school bus*. The specifications are governed by Federal and State school bus specifications. Maine’s *base model school bus* specifications are the *minimum* requirements by law. To meet their local needs, school entities typically select additional school bus options, above and beyond *base model school bus* specification and cost.

Maine DOE [Administrative Letter #24](#) provides school entities with clarification concerning local school bus bid and purchase of new and used buses. Key excerpts from the letter follow:

*. . . The information in the letter has been reviewed and confirmed by our legal team in the Office of the Attorney General.*

*For a school bus purchase to be eligible for State subsidy, per 20-A M.R.S. § 5401(15) and § 5402, the school administrative unit (SAU) **must**:*

- (1) purchase the bus from the bidder selected through the State of Maine Division of Procurement school bus bid Request for Quotations (RFQ) for bus Type and capacity **or***
- (2) upon request, provide to the Department documentation that demonstrates the purchase was the result of a competitive bidding process conducted by the SAU following, 20-A M.R.S § 5402 bid procedures.*

*For school buses purchased by a SAU when the SAU is **not** seeking subsidy, the SAU **must** still engage in competitive bidding, as outlined above. . . .*

Update. The School Bus Bid and Purchase System noted in the last paragraph of Administrative Letter #24 is not available.

### **Local School Bus Bid**

For new and used school buses purchased by the local school entity when the school entity is **not** seeking state subsidy, the local school administration must still engage in competitive bidding per statute. And the school entity must engage in competitive bidding, per statute, if they are **not** purchasing a bus from the vendor that won the Maine State School Bus Bid for each bus type and capacity. The process to conduct a local school bus bid is governed by State law: [20-A M.R.S. section 5402](#) Bid Procedure.

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**§5402. Bid procedure**

The following shall apply to bids. [PL 1983, c. 175, §2 (NEW).]

**1. Written bids.** Bids shall be in writing, sealed with outside envelope or wrapper plainly marked "Bid, not to be opened until (with appropriate date inserted)," and mailed to and filed with the superintendent of the unit.

[PL 1983, c. 175, §2 (NEW).]

**2. Time of opening.** A board member or employee of the school administrative unit may not open a bid until the appointed time.

[PL 1983, c. 175, §2 (NEW).]

**3. Public opening.** At the time and place stated in the public notice, and open to the public, all bids shall be opened by the superintendent or, in the superintendent's absence or disability, by any school board member designated for the purpose by the chairman of the school board.

[PL 1983, c. 175, §2 (NEW).]

**4. Reading.** If any citizens who are not school board members or employees of the school administrative unit, or if any representatives of the press are present, bids shall at the time either be made available for examination by them or shall be read aloud in a manner to be heard plainly by those in attendance.

[PL 1983, c. 175, §2 (NEW).]

**5. Exceptions.** The following contracts are exempt from the requirements of this section:

A. Contracts for bus services under \$4,000; and [PL 1983, c. 175, §2 (NEW).]

B. Contracts between school administration units. [PL 1983, c. 175, §2 (NEW).]

[PL 1983, c. 175, §2 (NEW).]

School bus specifications. OEMs, vendors, and school entities must adhere to Federal and State regulations, e.g., [Federal Motor Vehicle Safety Standards](#) (FMVSS) and Maine State school bus specifications.

Federal school bus specification regulations. A school bus manufactured on or after September 1, 1973 must conform with all applicable FMVSS, as of the date of manufacture, developed and issued by National Highway Traffic Safety Administration (NHTSA).

State school bus regulations. In addition to Federal regulations, a Maine school bus must comply with Code of Maine Regulations (05-071 CMR Chapter 86) Maine Uniform School Bus Specifications, 29-A M.R.S. section 05-071, and National School Transportation Specifications and Procedures 2015.

- [Code of Maine Regulations \(05-071 CMR Chap. 86\)](#) Maine Uniform School Bus Specifications apply to Maine school buses.
- Maine adopted the [National School Transportation Specifications and Procedures \(NSTSP\) 2015](#) as enacted by the 16<sup>th</sup> National Congress on School Transportation. Some exceptions, specific to Maine apply (see 05-071 CMR Chap. 86). A free PDF download of *National School Transportation Specifications and Procedures 2015* is available.
- [29-A M.R.S. Subchapter 4 School Buses](#) (sections 2301-2311) applies to items that are specific to some, not all, school bus specifications.

When preparing school bus bidding documents, school entities are advised to clearly acknowledge that bidders must comply with all Federal and State school bus regulations.

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### 3. Purchase

Authority to purchase and take possession of new and used school buses resides with the local school entity.

School bus purchases are governed by [20-A M.R.S. section 5401](#)(14-15) and must comply with all Federal and State school bus specifications.

School buses are selected and purchased by the local school entity. Following [Administrative Letter #24](#), school entities work directly with a school bus original equipment manufacturer or local school bus vendor. Local administrators are encouraged to review purchase documents with their insurance company and legal counsel. School entities typically choose to add vehicle options in addition to the Maine *base school bus* specifications.

Maine school bus specifications are governed by both Federal and State regulations in place at the time of the school bus delivery.

Federal School Bus Specification Regulations. A school bus manufactured on or after September 1, 1973 must conform with all applicable [FMVSS](#), as of the date of manufacture, developed and issued by NHTSA.

State school bus regulations. In addition to Federal regulations, a Maine school bus must comply with Code of Maine Regulations (05-071 CMR Chapter 86) Maine Uniform School Bus Specifications, 29-A M.R.S. section 05-071, and National School Transportation Specifications and Procedures 2015.

- [29-A M.R.S. Subchapter 4 School Buses](#) (sections 2301-2311) applies to items that are specific to school bus specifications.
- [Code of Maine Regulations \(05-071 CMR Chap. 86\)](#) Maine Uniform School Bus Specifications applies to Maine school buses.
- Maine adopted the [National School Transportation Specifications and Procedures 2015](#) as enacted by the 16<sup>th</sup> National Congress on School Transportation. Some exceptions, specific to Maine apply (see [05-071 CMR Chap. 86](#)). A free PDF download of [National School Transportation Specifications and Procedures 2015](#) is available on the internet at <https://www.nasdpts.org/resources/Documents/NCSTFiles/NCST%202015%20Specifications%20and%20Procedures%204.20.18.pdf>

Taking possession of a new or used school bus. After the local school entity has taken possession of a new or used school bus, each school bus must be entered into the Maine DOE transportation data system during the business quarter that the school bus was received.