Panel for Educational Policy
Contract Agenda
August 16, 2010

Item: 1 **Description:** Tuition for 30 bilingual and monolingual teachers of students with speech and language disabilities in the Western Kentucky University Speech and Language Pathology Distance Learning program.

Term: 3 years 10 months **Options:** None **Funding:** Tax Levy

Division: Division of Human Resources **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Western Kentucky University	$903,315

Item: 2 **Description:** Perform mandated annual school audits along with the Office of the Auditor General and assist with various audit projects.

Term: 5 years **Options:** None **Funding:** Tax Levy

Division: Office of Auditor General **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Ernst & Young, LLP	$1,700,000

Item: 3 **Description:** General construction work in Queens.

Term: 2 years **Options:** 1 two year option & 180 day option **Funding:** Tax Levy

Division: Division of School Facilities **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Volmar Construction, Inc.	$2,385,000

Item: 4 Withdrawn

Item: 5 **Description:** Reform services in schools for new efforts at whole school reform and/or sustaining and enhancing Comprehensive School Reform grants.

Term: 5 years **Options:** None **Funding:** Various

Division: Office of Curriculum & Professional Development **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Learning Point Associates	$120,000

Item: 6 **Description:** Professional development services to improve student knowledge through increased technological pedagogy and the use of multimedia and web-based learning tools in schools.

Term: 5 years **Options:** None **Funding:** Various

Division: Div. of Instructional & Information Technology **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Achieve 3000, Inc.	$175,000
City at Work, LLC	$120,000
ClassLink, Inc.	$120,000
Custom Computer Specialist	$175,000
Discovery Education, Inc.	$120,000
Educate, LLC	$120,000

Education Development Center, Inc (EDC)	$120,000
Fordham University	$175,000
Houghton Mifflin Harcourt Publishing	$120,000
IDE Corp.	$120,000
NCS Pearson, Inc.	$120,000
New York Institute of Technology	$120,000
NYC Writing Project / Research Foundation of CUNY	$175,000
Plato Learning	$120,000
Teachers Network	$120,000
Teaching Matters Inc	$175,000
Tequipment, Inc.	$120,000
THIRTEEN (Educational Broadcasting Corporation	$120,000
Vision Education & Media	$120,000

Item: 7 **Description:** Science, Technology, Engineering and Mathematics summer enrichment program for students, parents and teachers from selected middle schools.

Term: 3 months **Options:** None **Funding:** Federal Funded

Division: Deputy Chancellor for Teaching & Learning **Contract Type:** Full Value

Vendor Name	Annual Amount
Stony Brook University	$695,556

Item: 8 **Description:** Add-on item. To provide student support services, youth and leadership development, workplace skills development and college and career planning at the High School for Arts and Business.

Term: 11 months **Options:** None **Funding:** Tax Levy

Division: Office of Multiple Pathways to Graduation **Contract Type:** Full Value

Vendor Name	Annual Amount
Federation Employment & Guidance Service, Inc. (FEGS)	$750,383

Item: 9 **Description:** Add-on item. To allow 15 Universal Prekindergarten vendors to continue providing full day services for the 2010-2011 school year.

Term: 1 year **Options:** None **Funding:** State Funded & City Council

Division: Office of Curriculum & Professional Development **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Amalgamated Nursery School	$158,000
Big Bird's Playhouse	$518,400
Briarwood Center, Inc.	$135,000
Christina Day Care, Inc.	$131,472
Citizens Advice Bureau	$158,000
Educational Enterprise	$680,000
Harlem Children's Zone, Inc.	$563,084
New Milestone, Inc.	$150,240
Richmond Hill Children's Center	$288,000
Round the Clock Nursery, Inc.	$128,120
Round the Clock Nursery, Inc.	$420,000
Sesame Sprout	$75,834
The Family & Life Center of Mt. Ararat	$241,297
Vernon Avenue Children's School, LLC	$302,400
Washington Heights Hellenic St. Spyridon	$332,000

Item: 10 **Description:** Add-on item. School bus insurance brokerage and consulting services.

Term: 1 year **Options:** None **Funding:** Tax Levy

Division: Office of Pupil Transportation **Contract Type:** Requirements

Vendor Name	Estimated Annual Amount
Willis of New York, Inc.	$26,805,874

Item: 1

Description:

Tuition for 30 bilingual and monolingual teachers of students with speech and language disabilities in the Western Kentucky University Speech and Language Pathology Distance Learning program.

REQUEST FOR AUTHORIZATION

To enter into contract with Western Kentucky University to provide Speech Language Pathology Distance learning program.

Estimated Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
$409,395-Year 1 $835,166-Year 2 $868,572-Year 3 $903,315-Year 4 $460,514-Year 5	Tax Levy	9/1/10-6/30/15	Committee on Contracts	No	Requirements
Vendor Name & Address	**Western Kentucky University** **2355 Nashville Road** **Bowling Green, KY 42101**				

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Peter Ianniello, Service Requestor	Stephen Stamo, Procurement Analyst
Deputy Executive Director, Division of Human Resources	Division of Contracts & Purchasing

STATEMENT OF PURPOSE

Approval is sought to contract with Western Kentucky University to provide a Speech Language Pathology Distance Learning Program. The cost for said services is estimated at $3,476,962. The contract will commence on September 1, 2010 and terminate on June 30, 2015.

DISCUSSION

The Office of Human Resources submitted a negotiated service request to contract with Western Kentucky University (WKU) to provide a Speech Language Pathology Distance learning program. This program addresses the shortage of teachers certified as Teachers of Students with Speech and Language Disabilities (TSSLD). Selection of scholarship recipients, by NYCDOE, is based on the strength of candidate's applications, their educational backgrounds, writing sample and interviews with the Scholarship Incentive Program Office.

The NYCDOE along with its collaborators, the United Federation of Teachers (UFT) and WKU, were selected to provide these services in response to a Request for Proposal for New York

State Education Department's Office of Vocational and Education Services for Individuals with Disabilities. The approval is for a term beginning July 1, 2009 through June 30, 2014 for the operation and administration of a Speech & Language Pathology Center (SLPC). While no state money is allocated for the tuition that the NYCDOE pays WKU, the NYCDOE received a 5-year grant for $250,000 per year for personnel and material costs at the SLPC. As per the proposal, the NYCDOE is obligated to use WKU as well as require the NYCDOE to pay scholarships with tax levy funds for up to 30 students each year. To ensure that the cohort starting in 2014 completes the program, the Committee on Contracts approved the award for a year beyond the expiration of the state award.

WKU has the only distance learning TSSLD program approved in New York State. Traditional speech programs in the New York City area are generally filled to capacity, minimizing the opportunity to recruit speech teachers. Additionally, these programs are exorbitant in cost, making it impossible for the NYCDOE to fund scholarships for a large numbers of students.

The estimated contract amount will be used for tuition costs only. Other associated fees will be paid by the scholarship recipients. NYCDOE will provide tuition payment for 24 credits of coursework per year and the scholarship recipients are expected to complete the program in two years. Under the agreed upon pricing structure, the per credit rate for each cohort will be locked until completion of the program.

The Committee on Contracts (COC) approved this contract on the basis of the New York State Department of Education award to Western Kentucky University, NYCDOE and the UFT for these services. Vendor Research and Price Analysis (VRPA) unit is currently conducting a background check on Western Kentucky University. Once completed, any significant adverse information will be reported in an amended RA.

As a result of the collaborative efforts of the Division of Contracts and Purchasing and the Office of Operational Support Services, WKU agreed to a lower pricing model, which resulted in a savings of $56,047 from the original proposed budget. The per credit rate for the initial cohort will be $557 and will increase 4% for each subsequent cohort. WKU's 2010 cost per credit hour of was compared to Columbia University's 2010 cost per credit hour and St. John's University's 2010-2011 cost per credit hour. WKU's rate is 53% less than Columbia's rate and 36% less than St. John's rate. Therefore, WKU's per credit hour, combined with a customized Speech Language Pathology program for the DOE with guaranteed placements for a maximum of 30 candidates, can be deemed fair and reasonable.

The agreed upon tuition rates throughout the duration of the agreement are indicated below:

Number of Students	Cohort Number	Cost per Credit	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Total Per Cohort Series
30	1	557	$409,395	$409,395				$818,790
30	2	579.28		$425,771	$425,771			$851,542
30	3	602.45			$442,801	$442,801		$885,602
30	4	626.55				$460,514	$460,514	$921,028
							TOTAL	**$3,476,962**

Item: 2

Description:

Perform mandated annual school audits along with the Office of the Auditor General and assist with various audit projects.

REQUEST FOR AUTHORIZATION

To enter into contract with Ernst & Young, LLP, to provide audit services to the New York City Department of Education (**RFP #R0828**).

Estimated Cost	Funding Source	Contract Term	Contract Type	Procurement Method	Is Contract Retroactive?
Annual Amount: $1,700,000 **Contract Amount:** $8,500,000	Tax Levy	Five (5) Years	Requirements	RFP	No
Vendor Name & Address	Ernst & Young, LLP 5 Times Square New York, NY 10036				

NYCDOE Contract Manager	Division of Contracts & Purchasing (DCP) Contact
Brian Fleischer, Auditor General	Paul Simms, Procurement Analyst

STATEMENT OF PURPOSE

Approval is sought to enter into a requirements agreement with Ernst & Young (E&Y) to provide audit services. These services are primarily performed in partnership with the Office of Auditor General (OAG) in support of its audit mandates under the New York State Education Law, as well as OAG's other internal audits and reviews on behalf of the New York City Department of Education ("the Department"). The contract would also permit the Department's senior leadership and other offices and divisions to secure the assistance of E&Y on other audits and special projects as needs arise. The current contract for these services, also with E&Y, expires on December 31, 2010. Based on past usage, the estimated annual cost for the new contract is $1.7 million or $8.5 million over the five year term.

DISCUSSION

As the Department's internal audit arm, OAG must identify the most critical functions performed by the Department, analyze the threats to performance of those functions, and align resources to assist the Department in combating those threats and in facilitating successful performance. The Department's operations and its local, state and federal revenue streams are subject to myriad legal and regulatory requirements. In order to meet the demands of providing audit and related services within this environment, it is necessary for OAG to partner with an audit or consulting firm that can provide a high level of expertise in the areas of internal audit, process mapping, reimbursable and grant program management, statistical modeling and support for these activities with appropriate level staff. A high-level internal audit function is as critical to the Department as it is to the largest and most sophisticated companies in the private sector. A competitive bid was not a suitable procurement method because of the need to thoroughly assess the partnering firm's organizational structure and the qualitative aspects of the proposed audit program.

In light of the breadth of coverage and expertise demanded by such an internal audit function, OAG requires resources additional to its approximately 45-person full-time audit staff. OAG will adopt a "co-sourcing" model in which contracted supports will be partnered with OAG's internal staff. E&Y will have a

significant on-site presence at OAG offices and will work closely with OAG in implementing an integrated approach to a comprehensive risk-based internal audit and consulting services plan.

A Request for Proposals (RFP) was advertised in the City Record, approximately 120 potential proposers were solicited via electronic mail and the solicitation notice was posted on the NYCDOE's web site. Seven (7) proposals were received.

The evaluation criteria were: Organizational Capacity and Qualifications (30 Points), Program Plan (25 Points), Price (25 Points) and Demonstration of Expertise and Experience (20 Points). The Evaluation Committee consisted of two representatives from the Office of Auditor General and one from the Division of Financial Operations.

Proposers were asked to provide a response for two distinct program areas: 1) School-Based Audits ("School Audits") and 2) Consultation and Assistance with Other Audits ("Other Audits"). Following the initial round of evaluation, the proposals were ranked as follows:

Rank	Vendor Name
1	Ernst & Young
2	KPMG
3	Weiss & Company
4	McGladrey & Pullen
5	Crowe Horwath
6	O'Connor Davies Munns & Dobbins
7	Dadia Valles Vendiola

Following a review of the initial proposals, the committee determined that E&Y and KPMG had provided the best two proposals and that they constituted the competitive range based on their combination of organizational depth, auditing expertise and/or program qualities sought by OAG. Ultimately, the committee selected E&Y for award because their proposal demonstrated a clearer understanding of the Department's auditing needs and priorities. The committee also felt that E&Y proposed a leadership team with suitable experience, expertise and flexibility to meet the needs and expectations of not only OAG, but also the Department's senior leadership.

Pricing was broken down into two areas, School Audits and Other Audits, with School Audits representing a considerably higher usage in most years, with 2010 a notable exception due to the quantity of American Recovery and Reinvestment Act (ARRA) related work. In the three years ending with FY 2009, School Audits accounted for 88% of expenditures. That proportion was reduced to 65% in 2010, mainly due to ARRA.

The table below shows the original and best and final offer (BAFO) hourly rates for the proposed staff levels to be assigned to School Audits for the first year. E&Y proposed to perform School Audits for FY 2011 and FY 2012 for a fixed price not to exceed $1,050,000 annually, which totals $2,100,000. KPMG's price for School Audits is an estimated $2,326,400 for the first two years, although said service would be paid for at hourly rates. E&Y's rates increase annually from year three, so by the end of the fifth year the price would be an estimated 24% higher than the first two years. KPMG's price also increases. By the end of the fifth year, KPMG's price for School Audits would be approximately 6% lower than E&Y's.

	Ernst & Young		KPMG	
Staff Title/Level	**Original**	**BAFO**	**Original**	**BAFO**
PARTNER	$115	$105	$250	$245
EXECUTIVE DIRECTOR	$115	$105	N/A	N/A
DIRECTOR	N/A	N/A	$200	$195
SENIOR MANAGER	$115	$105	N/A	N/A
MANAGER	$115	$105	$175	$139
SENIOR	$115	$105	$125	$122
SUBJECT MATTER EXPERT	N/A	N/A	$200	$195
STAFF	$115	$105	$85	$75

The table below shows the original and BAFO hourly rates for the Other Audits for the first year. E&Y's proposed hourly rates for year one and two are fixed and increase in the latter years by an average of 2.83% while KPMG's rates increase 1% annually beginning in year 2.

	Ernst & Young		KPMG	
Staff Title/Level	**Original**	**BAFO**	**Original**	**BAFO**
PARTNER	$285	$285	$275	$270
EXECUTIVE DIRECTOR	$260	$260	N/A	N/A
DIRECTOR	N/A	N/A	$200	$195
SENIOR MANAGER	$235	$235	N/A	N/A
MANAGER	$190	$190	$175	$170
SENIOR	$150	$150	$150	$145
SUBJECT MATTER EXPERT	N/A	N/A	$225	$195
STAFF	$120	$110	$100	$95

As indicated, the amount spent on Other Audits spiked in FY 2010, and may do so again in FY 2011, for work related to the management of the federally reimbursed ARRA grants.

Having been competitively determined, and being arguably less expensive than the highest rated competitor's proposal, E&Y's pricing was determined to be fair and reasonable.

DCP's Vendor Research and Price Analysis (VRPA) staff has reviewed the City's VENDEX files, the Department's procurement files, public company databases and public reports for information related to E&Y. While it is not uncommon for adverse matters to be reported for a firm the size of E&Y, no significant adverse information was found that would rise to a level which precludes awarding a contract to E&Y. VRPA obtained a performance evaluation from the Auditor General attesting to a high degree of satisfaction with E&Y's past performance. Therefore, Ernst & Young is deemed responsible with respect to this procurement.

Item: 3

Description:

General construction work in Queens.

REQUEST FOR AUTHORIZATION

Volmar Construction Inc., for a Job Order Contract for General Construction

Contract Cost	Funding Source	Contract Term	Options	Procurement Method	Is Contract Retroactive?	Contract Type
$2,385,000 annual cost $10,732,000 for contract term	Tax Levy	2 Years	2 year bilateral option to renew and a 180 day extension	RFB	No	Requirement
Vendor Name & Address	Volmar Construction Inc.					
	4400 2nd Avenue					
	Brooklyn NY 11232					

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Volkert Braren, Program Manager	Shelley Epstein, Director
Division of School Facilities (DSF)	Division Of contracts and Purchasing Name)

STATEMENT OF PURPOSE

Approval is sought to contract with Volmar Construction Inc. for a Job Order Contract (JOC) for General Construction in Queens. The award is for two years commencing with registration of the contract. There is a bilateral two year option to renew and a 180 day extension. The annual estimated usage, based on prior usage, is $2,385,000. This is a replacement for the previous contract where the vendor opted not to renew.

DISCUSSION

This replaces a contract with Homeric that included a bilateral option to renew. Homeric opted out at the option year because they could not handle the volume of work, giving proper notice to the DOE.

Through this JOC, each task has a pre-set unit price listed in a Construction Task Catalog. Technical specifications are included for all tasks. Bidders were required to submit two multipliers (adjustment factors), each specified to four decimal places, which are used to calculate the bidder's price for work done during normal hours and for work done after hours. Estimates were provided for the percentage of work that is to be done during the two periods.

The bid was advertised for seven days in the City Record and on the DCP web site. Nineteen bids were received. Cisco, the low bidder, was rejected for failure to submit the required Payment and Performance Bonds. Volmar, the second low bidder met all the bid specifications and is recommended for award. Volmar has held prior contracts with DSF and their performance has been satisfactory. As such, a qualification meeting was not necessary. After a review of their financials, it was determined that Volmar has the financial capacity to service this contract.

The Vendor Research and Price Analysis Unit (VRPA) conducted a comprehensive background check on Volmar Construction and found self reported OSHA violations. All are presently closed. The Department Of Labor notified subcontractors used by Volmar that they underpaid five employees and they owed several employees fringe benefits. Volmar informed VRPA that they no longer work with any of those subcontractors. Volmar has also self reported prevailing wage violations, all involving subcontractors, which they settled as non-willful violations and therefore did not have to claim guilt. Volmar Services merged with Volmar Construction in 2009. There was an outstanding lien against Volmar Services which was paid by Volmar Construction. VRPA also conducted a cost/price analysis and deemed that the figure proposed by Volmar is fair and reasonable.

On average, the pricing on this contract is 14% less than the previous contract for similar items. The state of the economy and the fact that vendors need to keep operating are factors contributing to the decrease. This was a competitive bid process assuring that all prices are fair and reasonable.

Item: 4

Description:
Withdrawn

Item: 5

Description:

Reform services in schools for new efforts at whole school reform and/or sustaining and enhancing Comprehensive School Reform grants.

REQUEST FOR AUTHORIZATION FOR WHOLE SCHOOL REFORM (RFP#1C439)-RA#2

Estimated Contract Cost Annual/Total	Funding Source	Contract Term	Options	Procurement Method	Is Contract Retroactive?	Contract Type
$120,000/ $600,000	Various including Tax levy & Reimbursable funds	5 Years	None	Multiple Task Award Contract (MTAC)	No	Requirements
Vendor Name & Address	Learning Point Associates 1120 East Diehl Road, Suite 200 Naperville, Illinois 60563					

Service Requestor/Contract Manager	Division of Contracts and Purchasing
Sharon Rencher, Executive Director	Nicole Dawson, Procurement Analyst
Office of School Improvement	Division of Contracts and Purchasing (DCP)

Statement of Purpose

Approval is sought to contract with Learning Point Associates (LPA) to provide whole school reform services. These services will assist schools in one of the two areas: (1) New efforts at whole school reform in schools identified by the New York State Education Department (hereinafter referred to as either NYSED or SED) as schools in need of improvement (i.e., SINI, corrective action, restructuring/planning for restructuring, or SURR), and (2) Helping schools that have initiated or completed the three-year Comprehensive School Reform (CSR) grant cycle to enhance and sustain the progress made during the grant period, and to build additional school-based capacity with their reform programs.

Currently, there are 14 contracted vendors providing whole school reform authorized by a previous RA. These services are provided at the discretion of each participating school.

Discussion

In 2006, the No Child Left Behind Act (NCLB) required that states provide for comprehensive school reform for failing schools, a requirement which was supported by NCLB funds provided to the states. In turn, failing schools in New York City were awarded CSR grants from NYSED to support this requirement.

The Office if School Improvement's objective was to provide schools with the opportunity to work with a group of providers offering transitional plans that ultimately lead to the ability of schools to continue reform efforts on their own. The selected vendors will help schools sustain and enhance the progress they have made through the CSR grants (component 1). Vendors selected for component 2 will begin new CSR efforts in elementary, middle and high schools identified as failing.

The objective of this procurement is to contract with providers experienced in working with schools in need of whole school reform, including new efforts and sustaining gains made by those that have initiated or completed a three-year grant cycle in the CSR program in NYC public schools.

After the initial solicitation, two proposals were received. Of those two, the evaluation committee selected one proposal, LPA, for award for component 1. The evaluation committee consisted of two former teachers who are now administrators with the Office of School Improvement (OSI) and one OSI program manager, to assure that school needs were met by the selected vendor. Proposals were scored based on the following evaluation criteria: Program Plan (30

points); Organizational Capacity (25 points), Demonstrated Effectiveness (20 points) and Prices/Charges (25 points). Proposals are required to receive a score at or above the minimum threshold of 80 points.

Contractors in the CSR program offer the broad range of expertise sought by the Department to provide restructuring/improvement/sustainability programs employing proven strategies and methods for student learning, teaching and school management. LPA's hourly rate of $131 falls within the price range of the other contractors and thus is considered fair and reasonable.

The estimated annual amount of $120,000 for the LPA contract was derived from an average spend analysis and the program manager's projected demand in services from schools.

The background check for LPA included VENDEX, the Uniform Commercial Code, the Federal Tax Lien, and the Federal Excluded Parties List System. No adverse information was uncovered and, therefore, this vendor has been determined responsible.

The MTAC process is the preferred procurement method as this process allows the DOE to award contracts for similar services to multiple vendors in order to meet demand for such services and to offer a choice among vendors.

Contracts for services are necessary because the Department does not possess the personnel to provide these services.

As a part of the MTAC process, all service requests over $25,000 must go through a competitive process for procurement of services. Users will be required to create a scope of services and conduct a mini-solicitation process among the awarded vendors in their component areas. Vendors will be required to provide a statement of work and pricing based on their contracted services, which will be evaluated and scored by the user. Upon completion of this mini-solicitation process, schools will be able to secure services via a purchase order. This process is to ensure competition among the large number of vendors who have been awarded contracts as a result of this procurement. Future RAs for these services will be submitted in batches as new providers are presented for award of contracts.

Item: 6

Description:

Professional development services to improve student knowledge through increased technological pedagogy and the use of multimedia and web-based learning tools in schools.

REQUEST FOR AUTHORIZATION FOR PROFESSIONAL DEVELOPMENT FOR INSTRUCTIONAL TECHNOLOGY SERVICES (PQS #R0812)

Estimated Contract Cost Annual/Total	Funding Source	Contract Term	Options	Procurement Method	Is Contract Retroactive?	Contract Type
$2,555,000/ $12,775,000	Various including Tax levy & Reimbursable funds	5 Years	None	Multiple Task Award Contract	No	Requirements
Vendor Name & Address	See Table Below					

Service Requestor/Contract Manager	Division of Contracts and Purchasing
Celine Azoulay-Lewin, Senior Technology Innovation Manager	Xavier Cerda, Procurement Analyst
Division of Accountability and Achievement Resources (DAAR)	Division of Contracts and Purchasing (DCP)

Statement of Purpose

Approval is sought to enter into requirements contracts with 19 vendors to provide professional development services for instructional technology. These programs will be provided at the discretion of each participating school.

Discussion

The Office of Educational Technology (OET) aims to equip every educator and student with appropriate leading-edge technology and the support needed to use that technology in standards-based learning. To that end OET is seeking to create an extensive menu of instructional technology professional development services, including in-person and on-line courses, that can be tailored to the needs of each school community. In this solicitation, vendors were invited to submit proposals for one or more of the following three components:

(1) Professional development workshops that will increase teachers' and administrators' ability to make effective and appropriate use of computer, telecommunications, Internet and related technologies.

(2) Professional development through curriculum enrichment services, through which proposers will develop model lessons and co-teaching archetypes in collaboration with school-based staff and which take place in the classroom.

(3) Professional development through mentoring, through which organizations will provide one-on-one partnerships with classroom teachers. This can include a combination of services from components 1 and 2, and one-on-one services such as observations, experiences and studies for teaching improvement.

This MTAC solicitation was released in May 2010, and 33 proposals were received. The proposals were reviewed by an evaluation committee consisting of representatives from the Division of Accountability and Achievement Resources, Product Development, Talent & New Initiatives, the Office of Instructional Tech-

nology, Department of eLearning, and the Division of School Support. The members on the evaluation committee have experience as teachers, professional instructors and mentors. The evaluation criteria are: Program Plan (25 points), Organizational Capacity (25 points), Demonstrated Effectiveness (25 points), and Pricing (25 points).

Of the 33 proposals received, 19 were recommended for award under this Request for Authorization; three proposals were not selected due to low scores by the evaluation committee and will be allowed to submit revised proposals; and the remaining 11 proposals will be considered further by the committee. Successful proposers will be submitted in future Requests for Authorization.

Hourly rates for online courses proposed are $7 to $180 per hour. On a small scale review of the open-market, pricing for the on-line sessions ranges from $74-$110 per hour. The lower-priced courses cover access to webinars and reference materials, while higher-end online courses offer added content and include a series of courses with technical support. The rates of two vendors were higher than the market rates, and higher than the other proposers' rates, because they offer in-person orientation on their on-line courses along with scheduled follow-up visits to assist with the course and answer questions. On this basis, the prices are considered fair and reasonable.

Hourly rates for prospective providers delivering professional development services range from $200 to $746, with workshops using certified instructors tending to be more costly. Consultant rates for enrichment workshops range from $100-$350. The higher end workshops offer classroom observations and personal assessments for small groups of teachers to better address particular issues of the teachers. Pricing for these services is less costly than a professional development workshop because enrichment workshops feature a combination of hands-on activities, simulations, and case study analysis. Rates from predecessor contracts providing similar services were $54 to $784 per hour. Factoring the old rates and the need for curriculum enrichment workshops, the new proposed rates were considered to be fair and reasonable.

Mentor services offered by vendors in this solicitation range from $100-$350 per hour. These sessions will be provided throughout the school year. The higher end vendors use highly technical trained instructors to help teachers learn effective use of classroom technologies. Vendors contracted for the same services under a previous RFP had a pricing range of $91 to $291 per hour. The hourly rates under the previous contracts for these services have either not changed or have increased slightly so the newly proposed rates were found to be fair and reasonable.

The estimated annual amounts proposed below for previously contracted vendors were based on the vendors' availability to perform the services and prior years' utilization under other contracts. For vendors new to the system, an estimated annual amount of $120,000 will be allocated. This base amount was derived from an average spend analysis against those previous contracts and the projected demand in services from schools.

Background checks performed for all vendors whose contracts are estimated under $1 million included VENDEX, the Uniform Commercial Code, the Federal Tax Lien, and the Federal Excluded Parties List System. No significant adverse findings were uncovered during this investigation and thus vendors are all deemed responsible.

The MTAC process is the preferred procurement method as this process allows the DOE to award contracts for similar services to multiple vendors in order to meet demand for such services and to offer a choice among vendors.

Contracts for services are necessary because the Department does not possess the personnel to provide these services.

As a part of the MTAC process, all service requests over $25,000 must go through a competitive process for procurement of services. Users will be required to create a scope of services and conduct a mini-solicitation process among the awarded vendors in their component areas. Vendors will be required to provide a statement of work and pricing based on their contracted services, which will be evaluated and scored by the user. Upon completion of this mini-solicitation process, schools will be able to secure services via a purchase order. This process is to ensure competition among the large number of vendors

who have been awarded contracts as a result of this procurement. Future RAs for these services will be submitted in batches as new providers are presented for award of contracts.

Appendix A

	Awarded Vendors	Component(s)	Estimated Annual/ Total Amount
1.	**Achieve 3000** 1091 River Avenue, Lakewood, NJ 08701	2	**$175,000 Annual/ $875,000 Total**
2.	**City at Work** 982 Lorimer Street, Brooklyn, NY 11222	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
3.	**Classlink, Inc** 45 East Madison Avenue, Suite 7, Clinton NJ 07011	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
4.	**Custom Computer Specialist** 70 Suffolk Court, Hauppauge, NY 11788	1	**$175,000 Annual/ $875,000 Total**
5.	**Discovery Education, Inc.** 1Discovery Place, Silver Spring, MD 20910	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
6.	**Educate LLC.** 45 East End Avenue, Unit #15C, New York, NY 10028	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
7.	**Education Development Center (EDC)** 55 Chapel Street, Newton, MA 02458	1	**$120,000 Annual/ $600,000 Total**
8.	**Fordham University, Education Tech Center** 441 East Fordham Road, Bronx, NY 10458	1 & 2	**$175,000 Annual/ $875,000 Total**
9.	**Houghton Mifflin Harcourt Publishing** 222 Berkeley Street, Boston, MA 02116	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
10.	**IDE Corp.** 545 Island Road, Suite 3A, Ramsey, NJ 07446	1, 2 & 3	**$120,000 Annual/ $600,000 Total**
11.	**New York City Writing Project/Research Foundation of CUNY on behalf of the Institute for Literacy Studies, Lehman College, CUNY** 250 Bedford Park Blvd. West, Speech & Theatre Building, Room 116, Bronx, NY	1	**$175,000 Annual/ $875,000 Total**

	10468		
12.	**NCS Pearson, Inc** 5601 Green Valley Drive, Bloomington, MN 55437	**1, 2 & 3**	**$120,000 Annual/ $600,000 Total**
13.	**New York Institute of Technology, (NYIT)** PO Box 8000, Old Westbury, NY 11568	**1, 2 & 3**	**$120,000 Annual/ $600,000 Total**
14.	**Plato Learning** 10801 Nesbitt Avenue South, Bloomington, MN 55437	**2 & 3**	**$120,000 Annual/ $600,000 Total**
15.	**Tequipment, Inc.** 91 Toledo Street, Farmingdale, NY 11735	**1, 2 & 3**	**$120,000 Annual/ $600,000 Total**
16.	**Teachers Network, Inc.** 285 West Broadway, Suite 200, New York, NY 10013	**1**	**$120,000 Annual/ $600,000 Total**
17.	**Teaching Matters** 475 Riverside Drive, 1270, New York, NY 10115	**1, 2 & 3**	**$175,000 Annual/ $875,000 Total**
18.	**Educational Broadcasting Corp. dba THIRTEEN** 450 West 33rd Street, New York, NY 10001	**1**	**$120,000 Annual/ $600,000 Total**
19.	**Vision Education and Media** 38 East 23rd Street, Suite 3A, New York, NY 10010	**1**	**$120,000 Annual/ $600,000 Total**

Item: 7

Description:

Science, Technology, Engineering and Mathematics summer enrichment program for students, parents and teachers from selected middle schools.

REQUEST FOR AUTHORIZATION FOR A SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS SUMMER ENRICHMENT PROGRAM AT STONY BROOK UNIVERSITY

Annual/Total Contract Amount	Funding Source	Contract Term	Options	Procurement Method	Is Contract Retroactive?	Contract Type
$695,556.00	USDOE	6/1/2010-8/31/2010	NONE	Vendor Named in Grant, per Section 1-03 (b) of DOE Procurement Policy & Procedures	Yes	Full Value
Vendor Name & Address	Research Foundation of the State of New York (SUNY)					
	State University of New York at Stony Brook					
	Stony Brook, New York 11794-3760					
	David Ferguson					

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Program Manager: Robert Klein	Maxine Needle, Director of Grants
Office : Office of School Improvement	Division of Contracts and Purchasing
Phone #: (212) 374-7661	Phone #: (718) 935-4355

STATEMENT OF PURPOSE

Authorization is requested to contract with the above named vendor to provide a Science, Technology, Engineering and Mathematics (STEM) summer enrichment program for students, parents and teachers from selected middle schools.

DISCUSSION

Stony Brook will provide a twelve day residential program in mathematics, science, and technology for 75 students from selected Title I schools, entering the 7th and 8th grades in September 2010, 25 teachers from the student's home schools and 10 parents. The program will take place from Wednesday, July 6 through Saturday, July 17 on the campus of Stony Brook University. The students will be divided into eight small groups attending four one and a half hour classes examining the topics of energy, science, math, robotics engineering and communications. One full day will be spent at Brookhaven National Laboratory, and there will be individual class trips during the science and communications classes.

Classes will be taught by eight instructors and two undergraduate teaching assistants, yielding a ratio of no more than four to one.

The residential portion of the program will be supervised by professionals serving in the capacity of dormitory director, two head counselors and fifteen trained counselors (5:1 ratio). Students live under the supervision of the counselors and are escorted to all meals and classes. Counselors perform morning wake up and night watch to assure that all students are where they are supposed to be at all times.

The goal of the parent component is to expose parents to and assist them in developing knowledge and skill sets in the varied components of STEM education, which includes knowledge of K-12 course experiences necessary to be accepted into college and to become a STEM major as an undergraduate. Parents will develop the knowledge and skill sets to become partners with teachers and school systems

to improve upon STEM education and will gain exposure to STEM career opportunities. There are two parent groupings: Parent STEM Team members - approximately 10 parents who will stay on the Stony Brook University campus during the two week student residential program and Parent STEM Support members - approximately 25 – 75 parents who will come to campus on weekends of the two week program to learn about their children's work and participate in all day work shops.

The grantor's program is the Title I SIG 1003(g) STEM and ELA Instruction, Professional Development Advance Coursework and Leadership Academies Grant. A contract for personal services is necessary because the contract is funded by a grant, and the grant award specifically named this vendor for the amount stated above. To have the services provided by another party would be contrary to the grant.

The Contract Manager's office has experience with the vendor providing these services and confirms that they performed satisfactorily. DCP reviewed information regarding the vendor's background and found no derogatory information. The vendor is deemed responsible.

Pricing for the contract services was established by the grantor in the grant award.

Item: 8

Description:

Add-on item. To provide student support services, youth and leadership development, workplace skills development and college and career planning at the High School for Arts and Business.

REQUEST FOR AUTHORIZATION

To enter into contract with Federation Employment Guidance Services, Inc. to initiate Learning to Work Program services at the High School for Arts and Business.

Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
Not to Exceed $750,383	Tax Levy	8/1/10-6/30/11	Committee on Contracts	No	Full Value
Vendor Name & Address	**Federation Employment Guidance Services, Inc.**				
	315 Hudson Street, 1st Floor				
	New York, NY 10013				

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Vanda Belusic, Service Requestor	Stephen Stamo, Procurement Analyst
Executive Director, Office of Multiple Pathways to Graduation	Division of Contracts & Purchasing

STATEMENT OF PURPOSE

Approval is sought to contract with Federation Employment Guidance Services, Inc. (FEGS) to initiate a Learning to Work (LTW) program at the High School for Arts and Business Young Adult Borough Center (YABC) in Queens. The cost for said services is for a total not to exceed $750,383. The contract will commence on August 1, 2010 and terminate on June 30, 2011.

DISCUSSION

The Office of Multiple Pathways to Graduation (OMPG) has additional funding to establish a new YABC site at the High School for Arts and Business. Due to budget constraints, the most recent Learning to Work RFP (#R0808) did not include this location. This contract will enable OMPG to initiate services at this site for the 2010-2011 school year. The next Request for Proposal (RFP), scheduled to be released at the end of the year, will include the High School for Arts and Business as a YABC site.

OMPG submitted a negotiated service request to contract with FEGS to provide all students enrolled in this YABC with student support services, youth and leadership development, workplace skills development, college and career planning, and work based experience. These services are designed specifically to serve the needs of young adult students that are over-age and under-credited, but are committed to earning a high school diploma. OMPG solicited the three highest rated vendors from RFP# R0808 to provide these services. However, CAMBA and Good Shepherd declined to be considered from partnering with the High School of Arts and Business. FEGS has several existing LTW contracts with the New York City Department of Education and has demonstrated success in initiating and maintaining LTW services. They have vast experience and capacity to promptly initiate services without delay.

The Committee on Contracts (COC) approved this contract on the basis of time constraints and is contingent on these services being procured competitively should services be needed beyond the approved term. The Policy and Vendor Performance (P&VP) unit is conducting a background check on FEGS. Once completed, any significant adverse information will be reported in an amended RA.

The program costs are based on the pricing submitted by FEGS in response to the latest RFP. CPA recently reviewed the budgets and deemed the pricing fair and reasonable.

Item: 9

Description:

Add-on item. To allow 15 Universal Prekindergarten vendors to continue providing full day services for the 2010-2011 school year.

REQUEST TO AMEND AGREEMENTS TO PROVIDE FULL DAY SERVICES FOR THE UNIVERSAL PREKINDERGARTEN PROGRAM

New Total Estimated Contract Amount	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
$4,281,847	State + City Council Tax Levy	One-Year Amendment	Negotiated Services	No	Requirement
Vendor Name & Address	See Table Below				

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Recy Dunn, Executive Director	Maxine Needle, Supervisor
Division of Teaching and Learning	Division of Contracts and Purchasing

STATEMENT OF PURPOSE

Approval is sought to amend contracts with fifteen (15) vendors listed in the table below to provide full day Universal Prekindergarten (UPK) services for four-year-olds. The term of the amendment is one year and will allow vendors who provided full day services for school year 2009-2010 and are currently funded for half day services for school year 2010-2011 to continue providing full day services for school year 2010-2011. Parents will have the option of enrolling their children in either the half day or the full day program. The overall term of the contracts remains unchanged. The originally contracted half day price per seat remains unchanged.

Borough	CSD	Vendor's Legal Name	RFP/ APP	Number of Full Day Seats	Full Day Cost Per Child	Total Full Day Contract Amount	City Council Funding	Number of Half Day Seats	Half Day Cost Per Child
K	16	VERNON AVE CHILDREN'S SCHOOL, LLC.	B0709	36	$8,400	$302,400	$182,448	50	$ 3,200.00
K	19	CHRISTINA DAY CARE INC.	R0217	18	$7,304	$131,472	$71,496	18	$ 3,500.00
K	23	THE FAMILY AND LIFE CENTER	R0051	36	$6,703	$241,297	$121,345	36	$ 3,500.00
M	3	HARLEM CHILDREN'S ZONE	R0051	18	$7,409	$133,362	$85,878	40	$ 2,821.21
M	5		R0051	58	$7,409	$429,722	$236,466	100	$ 2,821.21
M	5	URBAN CONCEPT OF NEW YORK ROUND THE CLOCK NURSERY, INC.	R0051	20	$6,406	$128,120	$61,480	20	$ 3,400.00
M	6	WASHINGTON HEIGHTS HELLINIC ORTHODOX CHURCH	R0051	40	$8,300	$332,000	$198,720	90	$ 3,450.00
Q	24	SESAME SPROUT, INC.	R0051	9	$8,426	$75,834	$45,846	145	$ 3,399.38
Q	25	NEW MILESTONE, INC.	R0217	20	$7,512	$150,240	$83,600	40	$ 3,302.84
Q	28	BRIARWOOD CENTER	R0051	18	$7,500	$135,000	$75,024	63	$ 3,500.00
R	31	BIG BIRD'S PLAYHOUSE CORPORATION	A0709	72	$7,200	$518,400	$278,496	90	$ 3,400.00
R	31	EDUCATIONAL ENTERPRISE	A0709	80	$8,500	$680,000	$413,440	107	$ 3,460.00

Borough	CSD	Vendor's Legal Name	RFP/ APP	Number of Full Day Seats	Full Day Cost Per Child	Total Full Day Contract Amount	City Council Funding	Number of Half Day Seats	Half Day Cost Per Child
R	31	RICHMOND HILL CHILDREN'S CENTER, LLC.	R0061	36	$8,000	$288,000	$168,048	36	$ 3,750.00
X	10	AMALGAMATED NURSERY SCHOOL	A0709	20	$7,900	$158,000	$91,360	40	$ 3,300.00
X	9	THE CITIZEN'S ADVICE BUREAU	R0051	20	$7,900	$158,000	$91,360	54	$ 3,498.31
X	10	ROUND-THE-CLOCK NURSERY, INC.	A0709	60	$7,000	$420,000	$220,080	126	$ 3,700.00
					Total	$4,281,847	$2,425,087		

DISCUSSION

Additional funding from the New York City Council of $2,425,087 million and the New York State Education Department of $1,856,760 has been allocated for full day UPK services for the school year September 2010 - June 2011. The City Council allocation supplements the state reimbursable rate for half day services, for 2.5 hours of service. A full day UPK program consists of 6 hours and 20 minutes per day Monday through Friday.

The background review process has found no significant adverse findings and the vendors are deemed responsible.

It is noted however, that Harlem Children's Zone (HCZ) had an Advice of Caution referencing a Special Commissioner of Investigation (SCI) report from 2007 about an employee viewing inappropriate material at the school in the presence of a student. This individual was fired and new procedures and firewalls were put in place to prevent similar occurrences in the future. There was also a poor evaluation given by Administration for Children's (ACS) services for Harlem Children's Zone's head start program. Since the poor evaluation, ACS continues to do business with Harlem Children's Zone. As such these issues do not preclude an award to HCZ.

On August 4, 2010 the Committee on Contracts approved the award of these contracts without a competitive process due to time constraints. The start of school on September 8, 2010 left insufficient time to do a competitive procurement process and implement the full day program at the start of the school year, as directed by the City Council.

Item: 10

Description:

Add-on item. School bus insurance brokerage and consulting services.

AMENDED REQUEST FOR AUTHORIZATION TO UPDATE COSTS OF WILLIS OF NY, INC. CONTRACT FOR PROVIDING INSURANCE SERVICES (VALICA™)

Contract Cost	Funding Source	Contract term	Procure-ment Method	Is Contract Retroactive	Contract Type
Willis of NY, Inc. Estimated Annual Amount: Willis : $240,000 Discover Re Premium:$342,790 Discover Re collateral: $24,998,084 Gallagher Bassett: $1,175,000 Loss prevention services: $50,000	Tax Levy	July 1, 2010- June 30, 2011	Extension of Competitive RFP	No	Require-ment
Vendor Name & Address	Willis of New York, Inc. One World Financial Center, 200 Liberty Street New York, NY 10281				

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Eric Goldstein, Chief Executive Officer	David Ross, Executive Director
Nutrition and Transportation	Division of Contracts & Purchasing

STATEMENT OF PURPOSE

Authorization is requested to amend the one year extension with Willis of NY, Inc. Willis has and continues to provide insurance brokerage services pursuant to the above referenced contract which began July 1, 2005 and was extended until June 30, 2011. This amendment reflects the actual cost of insurance premiums payable to the insurance carrier Discover Re, the Third Party Administrator (TPA) Gallagher Bassett (GB), and loss prevention programs for FY '11. The total cost for FY'11 is $26,805,874.

DISCUSSION

An Agreement was entered into with Willis Group in 2005 as a result of a competitive solicitation to provide insurance consulting services for school buses that transport students to and from schools and other destinations throughout New York City. Services provided are insurance brokerage, consulting, claim management, claim adjustment, risk management, loss analysis, and accident investigation services. In conformance with their contract, Willis conducts an annual competitive solicitation process to acquire an insurance carrier and a TPA.

Pursuant to DOE policy, school buses must be insured at a minimum liability limit of five million dollars ($5,000,000) per occurrence. Before the implementation of the Volume Automobile

Liability Insurance Coverage and Administration (VALICA™) program in 2003, individual bus companies provided their own insurance. The VALICA program provides that the Department will purchase and pay for the first one million dollars ($1,000,000) of liability per occurrence. The contracted school bus vendors provide coverage over and above this amount through supplemental or excess insurance. The program has allowed the bus companies to take advantage of volume discounts, offsetting the extraordinary vehicle insurance increases both contractors and the DOE had experienced.

Under the current program, Willis acts as the DOE's broker and consultant and conducts annual competitive solicitations under DOE supervision to procure bus insurance policies and TPA's for claim management services. It is necessary to use a broker for this procurement as New York State will only allow insurance policies to be marketed by a registered broker.

Prior Panel approval has been received in the amount of $240,000 for the cost of Willis consulting/brokerage services. This amended Request for Authorization is to capture the cost of the Discover Re insurance premium, insurance claims collateral funds, costs for the TPA (GB), and the cost of loss prevention programs. We could not indicate these costs when the Willis contract was extended because Willis had yet to conduct the annual competitive solicitation process, which occurs in the spring of the year the insurance expires.

Insurance Carrier

In conformance with their contract, Willis completed vendor outreach to encourage quotes for the competitive solicitation process to acquire an insurance carrier for FY'11. Willis contacted 23 carriers who could handle high risk auto liability policies and smaller companies who specialize in public entity and/or transportation risks. These were all companies with acceptable credit ratings of AM Best A-VIII or above. Willis discussed alternative program structures with these carriers to encourage a wide range of quotes. However, only Discover Re, the incumbent, submitted a quote.

Following are reasons offered by companies that did not quote:

- The DOE program is considered to be high risk because the auto liability insurance required includes coverage for both property damage and bodily injuries to third parties outside the bus, and to the children inside. Most carriers provide auto liability insurance for private passenger vehicles of only 4-5 passengers. Also, passenger cars cause less damage than buses and most auto liability programs don't cover injury to passengers as this program does.

- School buses are considered a "sensitive risk" because of the perception that judges/juries will be sympathetic to the injured costing the insurance company significant losses.

- DOE's program requires cash collateral vs. working with a Letter of Credit (LOC).

- DOE insurance policy requirements include only one line of coverage (auto liability). Companies like to spread risk among different kinds of coverage, usually including workers compensation and general liability.

- Vendors did not want to do an "unbundled" program where the carrier and the TPA would be different companies. They prefer to keep the claims handling in-house.

- The Sexual Molestation coverage requirement is considered too sensitive a risk for insurance carriers.

Willis recommended and OPT agreed to retain Discover Re, the incumbent, for an additional year at a cost of **$25,340,874** for FY'11:

Insurance Carrier Costs

	FY '10	FY '11	% Change	Act. Change
# Routes	6,690	6,729	.6%	39
Discover Re Premium	$350,000	$ 342, 790	-2.1%	-$7,210
Discover Re losses (collateral)	$21,174,746	$24,998,084	+18.1%	$3,823,338
Total cash payments	**$21,524,746**	**$25,340,874**	**+17.7%**	**$3,816,128**

Although the number of routes (buses) increased slightly from 6,690 to 6,729, the yearly premium cost for Discover Re was reduced by 2.1% from $350,000 in FY '10 to $342,790 in FY '11. The estimated cost of the losses (collateral) increased by $3,823,338 versus the previous year total because the actual losses from previous years increased and future losses are based on the most current history. Willis negotiated this estimate down from a higher original quote. The premium that the DOE pays Discover Re is considered fair and reasonable because it is 1.1% of the total estimated losses vs. industry average of 4-7%.

Third Party Administrator

Willis received quotes from three major companies including the incumbent, GB. All were instructed to quote on a flat fee or per claim fee. Willis has recommended GB continue to be the TPA handling all claims for an additional year because they are competitively priced, staffed appropriately, and their experience in the program provides efficiencies that will streamline the overall cost of the program. GB was more expensive (8.7%) than Broadspire/Crawford. Broadspire/Crawford's per claim fee for Auto Property Damage is the lowest, as was their estimate for the annual number of claims for Auto Bodily Injury. However, their price per claim was actually higher, so if the annual loss history exceeds that estimate, their services would potentially be more expensive. Additionally, they would charge us $10 per claim transfer from the DOE electronic system (Gallagher Basset does not) which would cost an additional $40,000. Given Gallagher Basset's in depth knowledge of the program enables them to provide us with stable fixed pricing for our claims handling.

	Broadshire/Crawford	Gallagher Bassett	Specialty Risk Service
Total est. Claims Fee	$1,072,720	$1,175,000	$1,579,351
% Difference	--	+8.7%	+47.2%

GB has reduced their previous rate to a flat rate of $1,175,000 based on 2,200 to 2,700 claims. If the number of claims does not fall in this range, the rate per claim will be $495, reduced from the previous $510. Additionally, Willis compared TPA fees to the estimated losses. Industry average fees for a program this size range between 6-10% of total loss while the GB fees are approximately 4%. Willis and OPT agree that GB has performed well on our business. They have a dedicated team that is familiar with the DOE account.

Third Party Administrator

	FY '10	FY '11	% Change	Act. Change
Gallagher Bassett	$1,325,000	$1,175,000	-11.3%	-$150,000

Loss Prevention Programs

Willis continues to bring loss prevention solutions to the DOE's attention, and the DOE and Willis will continue to provide for loss prevention programs for bus fleet owners and operators to help decrease costs incurred by accidents. Funds will be used to hire specialized vendors for such services as license monitoring, defensive driving training classes, and rewriting OPT training manuals.

The cost of these programs is estimated at $50,000 in FY'11.

OPT management believes that the Willis Group service has been satisfactory and that it will be to the DOE's benefit to continue until the newly awarded vendor can be procured.