



# THE NEW YORK CITY DEPARTMENT OF EDUCATION

Dennis M. Walcott, *Chancellor*

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PANEL FOR EDUCATIONAL POLICY  
52 Chambers Street – NY, NY 10007

## MINUTES OF ACTION ADDENDUM

### PUBLIC MEETING OF THE PANEL FOR EDUCATIONAL POLICY

**Prospect Heights Campus  
883 Classon Avenue  
Brooklyn, NY, 11215  
Thursday, April 28, 2011  
6:00 PM**

Update from David Ross, Executive Director, Division of Contracts and Purchasing about contract items from the April 28, 2011, March 23, 2011, and February 3, 2011 Panel for Educational Policy Meetings.

The following corrections have been made to item 6 on the April 28, 2011 Meeting agenda:

- Stanford Center for Assessment Learning and Equality has been withdrawn
- The Institute for Learning's name has been corrected to the "University of Pittsburgh for the Commonwealth System of higher Education, D.B.A. Institute for Learning (ILF)"
- The annual amount of the contract with ILF has been corrected from \$419,667 to \$373,900
- The annual amount of the contract with the National Center for the Improvement of Educational Assessment has been corrected from \$264,267 to \$283,700

At its meeting on March 23, 2011, the Panel approved a contract with School Specialty, Inc. to provide classroom and art supplies in the annual amount of \$6.5 million. The Request for Authorization indicated that a background check had not been completed at the time of the meeting, and it turns out that there is information that I wish to bring to the Panel's attention:

In 2004, the Inspector General of Massachusetts (IG) found that School Specialty was not charging its lowest prices as required by a state wide school supply contract that was "piggy backed" off a Connecticut contract. The IG determined that some school districts that did not buy off of the state contracts negotiated and received lower prices than districts that purchased off of the state contract. Therefore, School Specialty agreed to provide credits totaling over \$350,000 to both Massachusetts and Connecticut customers that had purchased off of the state contracts. The IG found at least six more instances in a 2005 review, claiming that the state had been lax in its oversight and monitoring of the contract after the 2004 findings. School Specialty was suspended from 2/9/06 through 3/6/06 while the matter was being settled, but School Specialty bid and received an award when Connecticut issued another RFP in 2007 with Massachusetts again piggy-backing.

The Department is careful to review vendor pricing so as to ensure that we pay the prices bid on this and other contracts that feed into our e-catalogue, and School Specialty has provided good quality services to this department in the past. It is also notable that both Massachusetts and Connecticut continue to do business with them, and that they are an approved NY State provider of the same materials that we included on our bid. Accordingly, we believe they are a responsible vendor and that it is prudent to move forward with their contract.



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At its meeting on March 23, 2011, the Panel approved three contracts for the repair of cafeteria and kitchen equipment in the amount of \$5,539,700 annually. The stated contract term of five years should have been shown as five years and two months. The total contract amount has been corrected accordingly to \$27,698,502.

At its meeting on February 3, 2011, the Panel approved 16 contracts to provide software programs and training for the iLearnNYC program.

- The original RA showed an estimated total cost of \$24.4 million, but re-estimates and further negotiations leading to price reductions have reduced that figure by \$6.9M to \$17.5M.
- The RA indicated that professional development was included in the earlier figures but, in fact, professional development will add about 2.3% or \$494,460 to the total.
- Finally, using a portion of the aforementioned savings, the DOE intends to purchase credit recovery courses from KC Distance Learning, adding an estimated \$3.8M to the cost of the program.

In all, these corrections will reduce the estimated total cost of the program by \$2.6M, from \$24.4M to \$21.8M.