

Panel for Educational Policy Contract Agenda September 14, 2009

Exceptions to Competitive Process

Item: 1

Description: College Board will provide PSAT & National Merit examinations including grading & reports. **Term:** 3 Years

Division: Assessment & Accountability **Contract Type:** Requirements **Funding:** Tax Levy

Justification: Sole source

Vendor Name College Board	Estimated Annual Amount \$1,342,666
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Item: 2

Description: JP Morgan Chase provides banking services to approximately 950 custodial engineers whereby they can purchase cleaning supplies and pay employees to maintain school buildings. **Term:** 4 Months

Division: Division of School Facilities **Contract Type:** Requirements **Funding:** Tax Levy

Justification: Continuity of service

Vendor Name JP Morgan Chase	Estimated Annual Amount \$160,000
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Item: 2A (formerly 11)

Description: State mandated 2 ½ hours of instructional services to 4-year old children at this Community Based Organization **Term:** 1 Year

Division: Teaching & Learning **Contract Type:** Requirements **Funding:** State UPK Funding

Justification: Time constraints

Vendor Name The Educational Alliance	Estimated Annual Amount \$474,228
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All Other Procurements

Item: 3

Description: Maintenance and supplies for student ID card based attendance and security systems currently active in 250 school buildings. **Term:** 5 Years

Division: School & Youth Development **Contract Type:** Requirements **Funding:** Tax Levy

Procurement Method: Request for Proposals

Vendor Name Morrison Consulting Inc.	Estimated Annual Amount \$860,000
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Item: 4

Description: Deployment of new student ID card based attendance and security systems. **Term:** 5 Years, 2 Two-Year Options

Division: School & Youth Development **Contract Type:** Requirements **Funding:** Tax Levy & Capital

Procurement Method: Request for Proposals

Vendor Name Morrison Consulting Inc.	Estimated Annual Amount \$2,900,000
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Item: 5

Description: Contract provides for consulting services to market/merchandise and administer revenue producing sponsorship programs and beverage/snack vending programs for the Department of Education. **Term:** 5 Years, 1 One-Year Options

Division: Public Schools Athletic League **Contract Type:** Requirements **Funding:** Tax Levy

Procurement Method: Request for Proposals

Vendor Name Octagon, Inc.	Estimated Annual Amount Commission on revenue
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Item: 6**Description:** IT development and maintenance services for critical business applications including FAMIS, FMS and NYSCAPS. **Term:** 3 Years, 1 One-Year Option**Division:** Division of Financial Operations**Contract Type:** Requirements**Funding:** Tax Levy & Capital**Procurement Method:** Request for Proposals**Vendor Name**

Future Technology Associates (FTA)

Estimated Annual Amount

\$18,185,000

(FY10 - \$18.2M, FY11 - \$13.6M, FY12 - \$12.1M, FY13 - \$11.4M)

Item: 7**Description:** Hosting services for Siebel solution that the HR Connect Service Center uses to serve all DoE employees. **Term:** 1 Year**Division:** Division of Human Resources**Contract Type:** Full Value**Funding:** Tax Levy**Procurement Method:** Request for Proposals**Vendor Name**

IBM/Siebel/Oracle

Annual Amount

\$330,000

Item: 8**Description:** Literacy Professional Development Services**Term:** 5 Years**Division:** Div. Of Inst. Support**Contract Type:** Requirements**Funding:** Tax Levy & Reimbursable Funds**Procurement Method:** Pre-qualified Solicitation**Vendor Name****Estimated Annual Amount**

Achieve 3000, Inc.

\$210,000

America's Choice

\$1,298,800

Baum and Beaulieu Associates

\$116,300

Catapult Learning, LLC

\$166,250

EduChange, Inc.

\$629,615

Fordham University

\$547,000

Kaplan

\$6,657,100

Lesley University

\$245,200

Literacy Support System

\$140,600

NYC Writing Project/CUNY Inst. for Literacy & Lehman College

\$5,910,000

Teachers College

\$3,212,800

Ventures Education System Corporation

\$139,000

Accelerated Literacy Learning

\$1,300,000

American Reading Company / 100 Book Challenge

\$146,900

AUSSIE

\$5,910,000

Voyager Expanded Learning

\$112,300

Teacher College Reading and Writing Project

\$2,840,000

Item: 9**Description:** Provide mental health & behavioral clinical services & associated support services at the school level. **Term:** 5 Years**Division:** School Programs & Support Services**Contract Type:** Requirements**Funding:** Tax Levy**Procurement Method:** Pre-qualified Solicitation**Vendor Name****Estimated Annual Amount**

Interborough Developmental & Consultation Center, Inc

\$226,886

ICD (International Center for the Disabled)

\$121,138

Federation Employment & Guidance Service, Inc. (FEGS)

\$260,218

Institute for Family Health

\$85,852

Item: 10**Description:** To provide supplemental instructional services to students in non-public services that are eligible under Title 1. **Term:** 5 Years**Division:** Office of Non-Public Schools**Contract Type:** Requirements**Funding:** Title I**Procurement Method:** Pre-qualified Solicitation**Vendor Name****Estimated Annual Amount**

NonPublic Educational Services, Inc. (NESI)

\$300,000

Brienza Academic Advantage

\$300,000

Item: 11 (Now 2A)

Item: 12

Description: Universal PreKindergarten Services to provide state mandated 2 1/2 hours of instructional services to 4 year old children at Community Based Organizations. **Term:** 3 Years, 2 One-Year Options

Division: Teaching & Learning

Contract Type: Requirements

Funding: State UPK Funding

Procurement Method: Request for Proposals

Vendor Name	Estimated Annual Amount
St. Charles Borromeo School	\$60,289
Children's Storefront	\$59,741
Antioch Baptist Church Day Care	\$56,892
American European Child Care Center	\$98,000
Immaculate Conception School	\$61,200
St. Mary's Parochial Elementary School	\$64,800
Holy Rosary Parochial Elementary School	\$64,800
Institute of the Sister's of St. Dorothy - Academy of St. Dorothy	\$59,400
St. Peter's Elementary School	\$59,400
St. Christopher School	\$49,500
4 Angels Day Care, Inc.	\$43,550
Rabbi Jacob Joseph School	\$59,400
Congregation Mishkan Yecheskel	\$61,200
Ateret Torah Center	\$61,200
St. John's EV Lutheran Church & School	\$61,200
Congregation Ohr Shraga D'Veletzky	\$65,700
Research Foundation-SUNY	\$66,600
Yeshivah Ohel Moshe	\$59,400
Lil Angels Academy	\$149,600
Just 4 Kids Soundview Center, Inc	\$59,400
St. John Chrysostom School	\$133,200
Santa Maria Elementary School	\$129,600
St. Theresa School	\$129,600
St. Ann Parochial Elementary School	\$129,600
Bais Yaakov Faigeh Schonberger of Adas Yereim	\$59,400
United Academy	\$356,400
New Age Family Day Care	\$59,400
St. Mel School	\$119,259
Evangelical Lutheran Church of the Redeemer	\$60,120
Bessie & Nora's Place	\$59,580
St. Luke's Evangelical Lutheran Church	\$119,880
TLC Spirit, LLC	\$79,200
Early Sunrise Preschool and Kind., Inc.	\$119,880
Jewish Institute of Queens	\$113,292
Immanuel Group, Inc.	\$118,944
Grace Lutheran Day School	\$60,468
A to Z Center Too, Inc.	\$122,400
Jackson's Children's Services	\$60,496
St. Anthony of Padua	\$119,700
Yeshiva Ohr Haiim	\$59,886
Mi Nuevo Mondo	\$119,700

Item: 13

Description: This is a contract extension to provide teachers with access to textbooks and ancillary materials. **Term:** 1 Year

Division: Contracts & Purchasing **Contract Type:** Requirements **Funding:** Tax Levy
Procurement Method: Listing Application

Justification: Extends these contracts for a one year period, to provide textbooks, trade books, and ancillary materials to all public and participating non-public schools. This request is necessary for continuity of services from these vendors.

The materials under these contracts have been approved by the Office of Teaching & Learning, the Instructional Materials Review Unit and the Division of Contracts & Purchasing prior to listing the items in the FAMIS portal for schools to purchase. The content of these materials were reviewed and approved by DOE pedagogic staff. All Materials are published and copyrighted by the vendors.

If at any point the materials published by these vendors are made available for distribution in the open market, these titles will become part of the materials made available via our contracted distributors in their appropriate class.

Cost/Price Analysis:

The current textbook contracts include a provision of "most favored nation" that specifies that all textbooks must be sold to the Department at the lowest price available anywhere. Prices offered are in accordance with Most Favored Nation guidelines. The dollar values for the extensions are based on the average spend for the previous three fiscal years on each individual contract.

Vendor Name	Estimated Annual Amount
Rosen Publishing Group, Inc.	\$600,000
Barclay School Supplies	\$160,000
Flame Company	\$140,000
Weekly Reader Corp.	\$40,000
Mondo Publishing	\$380,000

Item: 14

Description: Access a city contract for printing of various materials such as lunch program applications and Title I program materials. **Term:** 6 Months

Division: Contracts & Purchasing **Funding:** Tax Levy
Procurement Method: City Contract

Vendor Name	Estimated Annual Amount
Vanguard Direct	\$1,500,000

Item: 15

Description: Processing of food into finished food products for delivery to DOE food distribution vendors. **Term:** 3 Years

Division: School Food & Nutrition Services **Funding:** Tax Levy
Procurement Method: Request for Bids

Vendor Name	Estimated Annual Amount
Kellogg's	\$1,365,390
Linden Cookies	\$1,655,725

REQUEST FOR AUTHORIZATION
The College Board to provide PSAT/NMSQT Test Materials and Services

Contract Not to Exceed Amount	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
\$4,028,000	Tax Levy	July 1, 2009 - June 30, 2012	Committee on Contracts	No	Requirements
Vendor Name & Address	The College Board				
	45 Columbus Avenue				
	New York, NY 10023				

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
James Liebman, Chief Accountability Officer	Angela Edwards, Director Professional Services Procurement
Division of Accountability & Achievement Resources (DAAR)	Division of Contracts and Purchasing (DCP)
212-374-4941	718-935-2095

STATEMENT OF PURPOSE

The Division of Accountability & Achievement Resources (DAAR) seeks the Chancellor's approval to award a contract to The College Board to provide Preliminary Scholastic Aptitude Test/National Merit Scholarship Qualifying Test (PSAT/NMSQT) materials and services for grades 10 and 11 citywide. The DOE seeks to continue the existing partnership with the College Board for three (3) years.

DISCUSSION

The PSAT/NMSQTs are preparation exams to the SAT, the most commonly accepted exam for college admissions, and to qualify for scholarships. The College Board is the only provider of these exams. As part of the DOE's college readiness initiative, all credited 10th and 11th graders will have the opportunity to take these exams free of charge under this contract.

The College Board will continue to provide students with score reports that offer personalized feedback on performance, including suggestions on how to improve specific skills. Students will also receive access to college planning tools. Schools will receive summary reports identifying target areas for student improvement, as well as assessments of the students' potential to succeed in Advanced Placement courses.

In line with the existing contract, the College Board has also extended a 20% discount off its national list price. DCP's Cost Price Analysis unit reviewed the vendor's initial contract pricing. The College Board confirmed that the 20% discount was not offered to any other school district in country. This discount is primarily based on the volume of test and number of grades tested. If only a single grade is tested, the College Board agrees to extend the 15% discount previously offered. The vendor also considered the DOE's budgetary constraints. These factors considered, the prices are deemed fair and reasonable.

Given that the list price for the PSAT/NMSQT is subject to change, the exam fee for the third year is not firm. Therefore, the 2011 test fee will be confirmed by the College Board in March 2011. The 20% discount nevertheless will remain.

A background check by DCP's Policy & Vendor Performance unit found no significant adverse findings.

On May 28, 2009, the Committee on Contracts approved this award based on the vendor being the sole-source for these exams.

REQUEST FOR AUTHORIZATION

Estimated Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
\$160,000	Tax Levy	September 1, 2009 - December 31, 2009	Committee on Contracts	No	Requirements
Vendor Name & Address	JP Morgan Chase				
	1 Chase Manhattan Plaza-21 Floor New York, New York 10005				

Service Requestor/Contract Manager: Salvatore Calderone, Contract Manager	Division of Contracts and Purchasing Contact: Shelley Epstein, Procurement Analyst
Division of School Facilities 718-349-5736	Division of Contracts & Purchasing 718-935-2066 / 718-935-2095

STATEMENT OF PURPOSE

The Chancellor's approval is sought to extend the contract with JP Morgan Chase from September 1, 2009 until December 31, 2009 to provide banking services for approximately 950 Custodial Engineers in order for them to pay for labor, services and supplies.

DISCUSSION

The original contract expired on June 30, 2007, and was subsequently extended through August 31, 2009. A RFP for these services was recently let and a recommendation for award was made to HSBC Bank. It is expected that the new contract for custodial banking services will be in place by January 1, 2010. To avoid disruption of service, the NYCDOE needs a four (4) month extension until December 31, 2009, until a new contract is in place. JP Morgan Chase has agreed to continue to provide said services at the same prices, terms and conditions.

The original contract was for an estimated amount of \$2,000,000. The average monthly fees are \$40,000. There have been no changes to the fee structure from the original contract, but the actual payments have increased because lower interest rates have reduced the portion of these fees that can be paid out of interest income.

The Division of School Facilities (DSF) employs over 950 Custodial Engineers to provide custodial engineering services in approximately 1,200 buildings managed by the

NYCDOE. A centralized banking process has been in place since 2000 when the NYCDOE determined that this was a more efficient system to distribute and monitor the funds required for facility management. DSF anticipates annual bank deposits of \$400 million to the bank accounts associated with provision of these services. The main NYCDOE account will be used to monitor all transactions and provide flexibility of disbursing funds. Approximately \$15 million will be transferred electronically from the main NYCDOE account to the custodial accounts bi-weekly. Custodians use these bank accounts to purchase supplies, pay employees and any other purchases required to keep facilities operational.

The NYCDOE anticipates that the new contract for custodial banking services will be finalized shortly. This extension period is needed to allow for transition and implementation of service by the new vendor. This contract extension will ensure that vital custodial services to NYCDOE school buildings continue without interruption.

The services provided by JP Morgan Chase to the DSF have been satisfactory.

REQUEST FOR AUTHORIZATION

Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
Estimated \$4.3 million	Tax Levy	5 years (7-1-2009 to 6-30-2014)	RFP R0685	No	Requirements Agreement
Vendor Name & Address	Morrison Consulting, Inc. d/b/a Access411				
	52 Grumbacher Rd. Suite 1				
	York, PA 17406				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts & Purchasing (DCP) Contact</u>
Robert J. Weiner	Benny Persson
Office of School and Youth Development (OSYD)	School-Based Procurements
212-374-4915	718-935-3322

STATEMENT OF PURPOSE

Approval is sought to enter into contract with Morrison Consulting, Inc. (MCI) for the provision and maintenance of the Comprehensive Attendance Administration Security System (CAASS), a student-ID card access control system currently active in approximately 250 school buildings serving approximately 400 high schools and middle schools. This five-year contract is for an estimated \$4.3M pursuant to a competitive Request for Proposal (RFP).

DISCUSSION

The DOE began using card-access technology in high schools in the 1980s and is currently operating the third generation of these systems. Student card-entry-access has become an indispensable component of a comprehensive strategy to maintain a safe and secure learning environment in secondary schools. NYC schools have been using the Comprehensive Attendance Administration Security System (CAASS) since 2001. The most recent award for the provision of CAASS covered the period of July 1, 2008 to June 30, 2009. A student swipes a bar-coded photo identification card when entering the building. The system automatically displays the student's name and picture on a monitor, allowing for easy identification to an attendant. If the individual is not authorized to enter the building, a sound alarm alerts the attendant to take appropriate action. In addition, CAASS prints temporary IDs for students, automatic late passes and early dismissal passes.

RFP R0685 was issued in July 2008 seeking proposals from organizations experienced in providing software, hardware and network-based services. The RFP was structured with two components, hardware and services to support the current access system (called the embedded infrastructure) and the new one (called the Next Generation), a group of services for which students use one ID. Schools that use the embedded systems will continue to do so until the existing hardware reaches the end of life cycle. They will then be converted over to the Next

Generation solutions. This request for approval is only for the embedded portion of the RFP. A request for approval of the Next Generation contract will be processed separately.

The Division of Contracts and Purchasing (DCP) sent email notifications of the RFP from their master database exceeding 1,500 addresses. 35 vendors downloaded the RFP from DCP's website. The selection committee consisted of five members: Brooklyn ISC (2), Division of Instructional and Information Technology (2) and Office of School and Youth Development (1).

Two vendors, WebIDcard (also known as SwipeK) and MCI, submitted proposals. Both vendors made presentations to the committee including product demonstrations. The selection committee visited high schools with approximately 2,000 students where each vendor had implemented access controls like that in the embedded infrastructure.

DCP requested a BAFO and detailed statement of work only from MCI but gave no indication to MCI of the number of competing vendors. The committee did not request a BAFO from WebIDcard because they did not believe that the company could handle access-control for all DOE. The committee gave several reasons including: (1) WebIDcard did not have significant annual revenues (\$1.3M reported by WebIDcard). (2) WebIDcard had never implemented their product for access control in an entire school system. (3) WebIDcard's verbal presentation, product demonstration, and written documentation of their credentials were not impressive. (4) On the site visit, the committee observed and documented at least six significant limitations with their access-control system. In contrast, the committee did not observe significant limitations in MCI's CAASS.

Table 1 compares the initial price and the BAFO for the major pricing categories presented in the RFP. The appendix expands on this. Also as part of the BAFO, MCI agreed to provide DOE with services valued at \$325,000 at no charge. These include five free relocations of building systems per year, 20 free training days per year, free semi-annual user meetings and free installation of the upgrade to CAASS version 9. MCI has also proposed to rebate one percent of E-Catalog orders which would generate up to \$35,000 in additional savings over five years. A price review indicated that major price components (training, hardware maintenance and supplies) were respectively 0, 35 and 12 percent less than current CAASS prices to the DOE. Therefore, the MCI price for this contract is considered fair and reasonable.

Table 1: Price Comparisons of initial offer and BAFO for MCI for the five years of contract

Pricing Category	Initial Price	BAFO Price
In-Service Hardware & ID-Card Consumables	\$3,829,715	\$3,487,168
Information Transfer	\$1,079,770	\$807,000
TOTAL	\$4,909,485	\$4,294,168

MCI acquired the operating assets of School Technology Management., Inc. (STM), including operations, licenses to the software, hardware and peripherals that the DOE had purchased between March 1, 2001 and November 30, 2006 when STM was a contracted vendor. MCI has provided this function for the DOE since 2006. It is noteworthy that two former owners of STM were found to have engaged in illegal and unethical business practices in relation to business entities other than STM by Pennsylvania's Ethics Commission. Neither of these individuals is an owner, employed or engaged by MCI. MCI retained an Independent Private Sector Inspector General (IPSIG) in response to concerns raised by DCP that MCI had failed to fully investigate the possibility that remaining MCI staff knew or should have known about what transpired. The IPSIG reported that after a full and comprehensive investigation (which included interviews with all current officers, employees, directors and shareholders of MCI) no one

currently involved with MCI had any involvement in the activities recounted in the Ethics Commission Report. MCI has shown adequate performance since the IPSIG report.

The Division of Contracts & Purchasing has reviewed the federal debarment list, the City's VENDEX files, its own procurement and performance review files, and Dunn & Bradstreet financial reports for MCI and found them to be a responsible vendor.

APPENDIX

Table 2 expands the itemization in the BAFO for each of the two major hardware components – stations (where students swipe their ID cards) and servers (which manage all the stations in a building).

Table 2: Component Prices for MCI's BAFO

Pricing Category		Per Active Station	Per Active Server	TOTAL PRICE (All stations and buildings)
	TOTAL PRICE, 5 years			\$4,294,168
In-Service Hardware & ID-Card Consumables	Vendor Warranty (up to 3 years since installation)	\$405	\$3,447	
	Maintenance Warranty Price for service years 4, 5	\$270	\$2,298	
	Direct Replacement Warranty for project duration	\$1,135	\$305	
	Consumables (excluding ID Cards) - % Markup in Cost for each service year[5]	14.00%	14.00%	
	ID Cards - each service year 2, 3, 4, 5[2]	Not Applicable	\$2,530	
	Vendor's Price per ID Card	Not Applicable	\$0.09	
	Vendor's % ID Card Markup in Cost	Not Applicable	11.1	
	TOTAL In-Service	\$1,810	\$16,171	\$3,487,168 (subtotal)
Operations	System Relocation Services - Hourly Rate	\$75.00		
	Custom Change Request - Max. Hourly Rate	\$75.00		
Information Transfer	Training (half day)	Not Applicable	Not Applicable	\$19,000
	Training (full day)	Not Applicable	Not Applicable	\$38,000
	Customer Support	Not Applicable	Not Applicable	\$750,000
	Documentation	Not Applicable	Not Applicable	\$0
	TOTAL Information Transfer	Not Applicable	Not Applicable	\$807,000 (subtotal)

REQUEST FOR AUTHORIZATION
Common-ID Services for Next Generation Infrastructure

Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
Estimated \$14.5 million and two two-year extensions, \$4.4 and \$4.9 million	Tax Levy, Capital	5 years (7-1-2009 to 6-30-2014), plus two possible 2-year renewals	RFP R0685	No	Requirements Agreement
Vendor Name & Address	Morrison Consulting, Inc. d/b/a Access411				
	52 Grumbacher Rd. Suite 1				
	York, PA 17406				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts & Purchasing (DCP) Contact</u>
Robert J. Weiner	Benny Persson
Office of School and Youth Development (OSYD)	School-Based Procurements
212-374-4915	718-935-3322

STATEMENT OF PURPOSE

Approval is sought to enter into contract with Morrison Consulting, Inc. (MCI) for the provision and maintenance of the Comprehensive Attendance Administration Security System (CAASS), a student-ID card access control and attendance collection system in approximately 255 school buildings that will expand to approximately 455 school buildings serving about 725 high schools and middle schools. This five-year contract is for an estimated \$14.5 million pursuant to a competitive Request for Proposal (RFP).

DISCUSSION

The DOE began using card-access technology in high schools in the 1980s and is currently operating the third generation of these systems. Student card-entry-access has become an indispensable component of a comprehensive strategy to maintain a safe and secure learning environment in secondary schools.

NYC schools have been using CAASS since 2001. The most recent contract award for the provision of CAASS covered the period of July 1, 2008 through June 30, 2009 in 255 school buildings. A student swipes a bar-coded photo identification card when entering the building. The system automatically displays the student's name and picture on a monitor, allowing for easy identification to an attendant. If the individual is not authorized to enter the building, a sound alarm alerts the attendant to take appropriate action. CAASS prints temporary IDs for students, automatic late passes and early dismissal passes. In addition, CAASS has the capability for collecting student attendance in classrooms or other designated locations within the building.

RFP R0685 was issued in July 2008 and sought proposals from organizations experienced in providing software, hardware and network-based services. The RFP was structured with two components: (1) hardware and services to support the current access system (called the embedded infrastructure), and (2) a new one called the “Next Generation,” that included a group of services for which students use one ID, called *Common-ID Services (CIDS)*. In doing so, we made it more practical for competitors to offer Next Generation solutions by limiting the incumbent’s advantages. Therefore, one RFP was issued for both the embedded infrastructure and Next Generation.

The DOE objectives for CIDS in this RFP were as follows:

1. **Access/exit control** – Provide DOE with the capability to control student and visitor access and exit to school buildings and student access to school properties such as libraries, cafeterias, locker rooms, gymnasiums and classrooms.
2. **Student attendance collection** – Assist DOE in conducting a proof of concept and possibly deploy an ID-based capability for collecting student attendance in classrooms or other designated locations within a building.
3. **Point of Service (POS) food purchases** – Ensure compatibility of use with the same ID card for CIDS and an ID-card for payment of food services provided by a current third-party vendor.

Vendors were also invited to submit information on ID-based capabilities for asset management, such as tracking library materials and textbooks.

Schools that use the embedded systems will continue to do so until the existing hardware reaches the end-of-life. They will then be converted over to the Next Generation solution, which offers more functionality at lower cost. The Next Generation employs an Application Service Provider (ASP) model wherein the data is maintained on central servers for the entire school system as opposed to being maintained on local servers in each school building. The ASP model furnishes enhanced reporting capability such as system-wide reports in near real-time showing how many students have entered each school building. One example of additional functionality under Next Generation is the ability to use CAASS for issuing visitor passes with photographs.

This request for approval is only for the Next Generation portion of the RFP. The Chancellor approved a contract award to MCI for the embedded portion on June 2, 2009.

Three vendors - ScholarChip, WebIDcard (also known as SwipeK) and MCI - submitted proposals and made presentations to the committee including product demonstrations. The selection committee consisted of five members: Brooklyn ISC (2), Division of Instructional and Information Technology (2) and Office of School and Youth Development (1). The committee visited high schools with approximately 2,000 students where each vendor had implemented access controls like that in the Next Generation.

The committee did not request a BAFO from WebIDcard because they did not believe that the company could handle access-control for all DOE. The committee gave several reasons including: (1) WebIDcard did not have significant annual revenues (\$1.3M reported by WebIDcard) (2) WebIDcard had never implemented their product for access control for an entire school system (3) WebIDcard’s verbal presentation, product demonstration, and written documentation of their credentials were not impressive (4) During the site visit, the committee

observed and documented at least six significant limitations with their access-control system. In contrast, the committee did not observe significant limitations in ScholarChip’s system and MCI’s CAASS.

MCI was selected over ScholarChip because the two vendor products appeared comparable in features and performance, but the MCI price was considerably less than that of ScholarChip. Moreover MCI had established a positive track record for customer service in their prior work with the NYC school system. Table 1 compares the initial and BAFO price for the major pricing categories presented in the RFP. A price review indicated that major price components (hardware maintenance and supplies) are respectively 35 and 12 percent less than current CAASS prices to the DOE. The pricing for training remains unchanged from the current price of \$760 per day or \$380 per half day. In addition, servers priced at \$3,640 per building in the current CAASS are no longer needed in Next Generation. Therefore, the MCI price for this contract is considered fair and reasonable.

Table 1: Price Comparisons of initial proposal prices and BAFO prices for ScholarChip and MCI for the five years of contract

Pricing Category	ScholarChip		MCI	
	Initial Price	BAFO Price	Initial Price	BAFO Price
New Hardware Bundle	\$12,080,649	\$10,428,684	\$12,689,831	\$10,002,604
In-service Hardware and Consumables	\$7,500,215	\$6,677,258	\$3,580,938	\$2,750,765
Application Service Provider (ASP) Subscription Price	\$21,955,224	\$6,418,408	\$1,142,477	\$0
Hosting			\$15,190	\$500,000
Other	\$80 (unspecified)	\$80 (unspecified)	(none)	\$2,047,500 (onsite support)
Credit for Current Scan Station Licenses				(\$960,000)
TOTAL	\$41,536,168	\$23,524,430	\$17,428,436	\$14,340,869

Table 2 breaks down pricing for each of the two components by year. It assumes the estimated annual contract prices based on the MCI BAFO: (1) replacement of current CAASS installations in about 255 school buildings and (2) installation in about 200 additional buildings with no current CAASS. Table 5 in the attachment provides greater detail, emphasizing the phased build-out and maintenance of Next Generation systems.

Table 2: Estimated citywide five-year contract cost in \$millions (\$M)

	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Annual Deployed Next Generation Buildings	32	100	105	110	108	
Cumulative Deployed Next Generation Buildings	32	132	237	347	455	
Estimated Cost	\$1.2M	\$2.7M	\$3.0M	\$3.5M	\$4.0M	\$14.5M

Table 3 shows the estimated contract price for the two potential two-year extensions. These prices are for refreshing of end-of-life hardware after five years of service and for maintenance of CAASS in 455 buildings. Table 6 in the attachment shows additional detail.

Table 3: Estimated citywide cost in \$M for two possible two-year extensions

Buildings	Year 6	Year 7	Extension Years 6, 7	Year 8	Year 9	Extension Years 8, 9
Estimated Cost	\$2.0M	\$2.4M	\$4.4M	\$2.8M	\$2.1M	\$4.9M

MCI acquired the operating assets of School Technology Management, Inc. (STM), including licenses to the software, hardware and peripherals that the DOE had purchased between March 1, 2001 and November 30, 2006 when STM was a contracted vendor. MCI has provided this function for the DOE since 2006. It is noteworthy that two former owners of STM were found to have engaged in illegal and unethical business practices in relation to business entities other than STM by Pennsylvania’s Ethics Commission. Neither of these individuals is an owner, employed or engaged by MCI. MCI retained an Independent Private Sector Inspector General (IPSIG) in response to concerns raised by DCP that MCI had failed to fully investigate the possibility that remaining MCI staff knew or should have known about what transpired. The IPSIG reported that after a full and comprehensive investigation (which included interviews with all current officers, employers, directors and shareholders of MCI) no one currently involved with MCI had any involvement in the activities recounted in the Ethics Commission Report. MCI has shown adequate performance since the IPSIG report.

The Division of Contracts & Purchasing has reviewed the federal debarment list, the City’s VENDEX files, its own procurement and performance review files, and Dunn & Bradstreet financial reports for MCI and found them to be a responsible vendor.

ATTACHMENT

Table 4 shows the major pricing components from the MCI BAFO for deploying and maintaining CAASS in one building over five years. The prices in the first year for ID cards and maintenance are prorated assuming that Next Generation installs will not launch until the fiscal year is in progress.

Table 4: Pricing profile of an average school for Next Generation over 5 years

	Year 1	Year 2	Year 3	Year 4	Year 5
Installation	\$21,984				
ID Cards + Other Consumables	\$1,468	\$1,835	\$1,835	\$1,835	\$1,835
Warranty, yr 4, 5				\$3,808	\$3,808
TOTAL	\$23,452	\$1,835	\$1,835	\$5,643	\$5,643

Based on the most recently proposed deployment schedule, Table 5 maps out the costs shown in Table 4 for the phased deployment of Next Generation in the 455 schools. The row for Installation and Maintenance in Table 5 accounts for the single-school prices (from Table 4) scaled by the number of newly deployed Next Generation buildings shown under “Total # buildings.” In addition, there is a fixed system-wide cost of \$438,000 in the first year and \$344,250 for each of the four remaining years. The fixed cost includes MCI offsite hosting of central CAASS server(s), and onsite customer support. A credit for scan station licenses already owned by DOE is applied to each year.

Table 5: Total annual pricing of all schools as Next Generation is deployed over 5 years

FY	# Buildings Deployed by Year			5-year Cost Estimate for a Building in Next Generation					TOTAL
	New	Transition from Embedded	Total # buildings	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2010-FY2014
2010	21	11	32	\$23,452	\$1,835	\$1,835	\$5,643	\$5,643	
2011	89	11	100		\$23,452	\$1,835	\$1,835	\$5,643	
2012	15	90	105			\$23,452	\$1,835	\$1,835	
2013	63	47	110				\$23,452	\$1,835	
2014	61	47	108					\$23,452	
Installation & Maintenance				\$750,451	\$2,403,873	\$2,704,612	\$3,136,385	\$3,672,122	\$12,667,444
Fixed Expense				\$630,000	\$536,250	\$536,250	\$536,250	\$536,250	\$2,775,000
Credit for Current Scan Station Licenses				(\$192,000)	(\$192,000)	(\$192,000)	(\$192,000)	(\$192,000)	(\$960,000)
TOTAL ANNUAL COST				\$1,188,451	\$2,748,123	\$3,048,862	\$3,480,635	\$4,016,372	\$14,482,444

Table 6 shows the pricing for two potential two-year extensions in similar in structure to Table 5. The table assumes that Next Generation hardware is maintained each year, and certain equipment is refreshed after five years of service.

Table 6: Annual cost estimates for two potential two-year extensions

4-year Cost Estimate Including Hardware Refresh for Next Generation					
FY Systems Deployed	Total # buildings	FY 2015	FY 2016	FY 2017	FY 2018
2010	32	\$7,549	\$2,349	\$2,349	\$6,157
2011	100	\$6,157	\$7,549	\$2,349	\$2,349
2012	105	\$2,349	\$6,157	\$7,549	\$2,349
2013	110	\$2,349	\$2,349	\$6,157	\$7,549
2014	108	\$2,349	\$2,349	\$6,157	\$2,349
Installation & Maintenance		\$1,615,920	\$1,988,561	\$2,444,877	\$1,762,568
Fixed Expense		\$555,000	\$555,000	\$555,000	\$555,000
Credit for Current Scan Station Licenses		(\$192,000)	(\$192,000)	(\$192,000)	(\$192,000)
TOTAL ANNUAL COST		\$1,978,920	\$2,351,561	\$2,807,877	\$2,125,568
		\$4,330,481		\$4,933,445	

REQUEST FOR AUTHORIZATION

Octagon, Inc. to provide Sports Marketing Consulting Services resulting in revenue generation for Department of Education (DOE) Sports, Health and Fitness Programs.

Contract Cost	Funding Source	Projected Start and End Date	Renewal Terms	Procurement Method	Is Contract Retroactive?
Commission on Revenue	Not Applicable	January 1, 2009- August 31, 2013	One year option to extend	RFP	No
Vendor Name & Address	Octagon, Inc.				
	800 Connecticut Avenue- 2 nd Floor East				
	Norwalk, CT 06854				
	Attn: David Parkes, Sr. VP				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts & Purchasing Contact</u>
Donald Douglas, Executive Director	Sande Pisik
Public Schools Athletic League	Division of Contracts & Purchasing
718-707-4219	718-935-3265

STATEMENT OF PURPOSE

The Chancellor's approval is sought to enter into a contract with Octagon, Inc. for consulting services and to market/merchandise and administer revenue producing sponsorship programs for Department of Education (DOE) physical education programs including the PSAL (Public Schools Athletic League), CHAMPS (Middle School Sports and Fitness League), and the Division of Health and Fitness. Services will begin on January 1, 2009 for a period of 5 years with an optional one year extension. There will be no cost to the DOE as this will be a revenue generating agreement.

DISCUSSION

The mission of the PSAL, CHAMPS and related scholastic athletics programs is to provide opportunities for educating students in physical fitness, character development, and socialization skills: to enhance the academic experience through association with enjoyable activities; and to improve students' capacity for learning through better physical health.. To achieve this goal, revenue generating programs which will fund new and existing programs is being sought.

The goal of this RFP was to select a consulting partner to develop a coherent marketing/business plan to attract paying sponsors to promote and/or merchandise goods and services centered on the New York City Public School physical education programs and the related PSAL programs. The selected consulting firm will have the authority to develop, issue, negotiate, and manage a competitive RFP process under DOE supervision for the selection of leading manufacturers of high quality items including, but not limited to, beverages, healthy snacks, athletic apparel, footwear, and athletic equipment. The consulting company will be responsible for administering these exclusive revenue generating partnerships which will include vending agreements, sponsorship dollars and in-kind product donations once they are secured. These funds will go towards creating more opportunities for student competition and participation in other physical education activities.

The DOE issued RFP R0664 seeking proposals from organizations to provide sports marketing consulting services. This RFP was released in June 2008 and was advertised in the City Record and on the DOE website. A pre-proposal meeting was attended by seven (7) potential vendors. Two proposals were received and both met the minimum qualifications. An evaluation committee consisting of representatives from PSAL, the Division of Fitness and Health Education (DFHE) and the Office of Student Support Services (OSSS) determined that Octagon's offering was superior to that of Leverage Agency. The committee felt that Leverage Agency lacked a strong plan to generate sufficient revenues for the DOE, didn't show evidence to have enough resources to dedicate a team to the DOE and lacked experience working with large municipalities.

Octagon, the incumbent vendor, provided a comprehensive plan with multi-faceted approaches to generating revenue for the DOE. Octagon has a strong organization with multiple layers of expertise to support their program plan and have enough staff to devote to this project. They demonstrated that they have been successful getting sponsorships in the past for multiple school systems including the DOE.

New York City & Company (NYC & Co.), the City's official marketing, tourism, and partnership organization, asked to participate in the proposal review process as a non-voting member of the evaluation committee in order to have input regarding the procurement of the beverage/snack vending and sponsorship agreements that the marketing consultants will help the DOE procure. Their insights were shared with the Committee. NYC & Co. confirmed that Octagon's proposed commission structure is within industry standards. They believe that Octagon has demonstrated excellence in generating significant revenue through municipal marketing corporate partnership sponsorships which justify their proposed commission structure. Based on the wide range of services Octagon will supply, their fees of 15%-18% commission are actually lower than the industry average of 20-30%.

The Division of Contracts and Purchasing has reviewed sources including VENDEX, Federal Debarments, financial reports and Dun & Bradstreet and has determined Octagon, Inc. to be a responsible vendor.

REQUEST FOR AUTHORIZATION

Future Technology Associates to provide Financial Application Development and Support Services

<i>Contract Cost</i>	<i>Funding Source</i>	<i>Contract Term</i>	<i>Procurement Method</i>	<i>Contract Type</i>
Year 1 \$18,185,000 Year 2 \$13,320,000 Year 3 \$11,820,000 1 Year Option \$11,070,000	Capital & Tax Levy	3 years plus an option to renew for one year	RFP	Requirements
Vendor Name & Address	Future Technology Associates, LLC (FTA) 9378 Arlington Express Way, Room 305, Jacksonville, FL 32225			

Service Requestor/Contract Manager	Division of Contracts & Purchasing Contact
Judith Hederman, Executive Director	Jason Henry, Chief Administrator of Purchasing Operations
Division of Financial Operations (DFO)	Division of Contracts and Purchasing (DCP)
718-935-2651	718-935-2058

STATEMENT OF PURPOSE

The Chancellor's approval is sought to enter into a requirements agreement with Future Technology Associates, LLC to provide software development, systems maintenance, support and hardware recommendations to continue its integrations with Citywide applications (currently FMS/3 and NYCAPS) and for the DOE's own financial, web-based, and mainframe applications, such as the FAMIS, Vendor, and Payroll Portals. The estimated cost for said services is \$18,185,000 in Year 1, \$13,320,000 in Year 2, \$11,820,000 in Year 3, and \$11,070,000 if a one-year extension option is exercised (see attached spreadsheet for cost detail) beginning on or about September 1, 2009.

DISCUSSION

The Division of Financial Operations (DFO) and the Division of Contracts and Purchasing (DCP) sponsor and oversee numerous application development projects to satisfy the business needs of schools, central offices, vendors, and oversight entities. DFO manages the contracted consulting services for development, production support and enhancements as required for many of the DOE's web-based financial applications, the majority of which are aligned with the Mayor's strategic IT goals and the Chancellor's empowerment and accountability principles. This RFP was released specifically for FAMIS related applications, FMS/3 and NYCAPS.

This requirements agreement is designed for the provision of the services based upon hourly unit prices, which are generally the provision of the professional services of information technology consultants who supplement the work of DOE information technology employees in various activities affecting DOE's financial systems. The DOE client / manager will determine the level and scope of work on as needed basis.

Request for Proposals (RFP) R0730 - Financial Application Development and Support Services was released on November 12, 2008, advertised in the City Record, and posted on the DOE website. Despite

extensive vendor outreach and the attendance of sixteen vendors at the pre-proposal conference, only the vendor currently providing services submitted a proposal. Therefore, DCP reached out to several of the companies in the industry that had attended the pre-bidder's conference but had not submitted proposals. They indicated they were not interested in taking on the risk and costs associated with the complexity of what was largely continuation of the development work done over the last two years by another vendor to integrate the DOE's customized financial systems with that of the City's.

The RFP was originally released for a 5-year term, but it is recommended that the DOE award a shorter 3-year contract with an option to renew for 1 year. In lieu of the longer term, the scope of work contains a knowledge transfer obligation which over time will permit the DOE to take on the majority of the responsibility for maintaining and operating the DOE's financial systems.

An evaluation committee consisting of representatives from the Divisions of Financial Operations (DFO), Division of Instructional and Information Technology (DIIT), and Integrated Service Center (ISC), evaluated the proposal. Upon completion of negotiations and reference checks, the committee voted to recommend Future Technology Associates, LLC (FTA) for award. Future Technology Associates, LLC has performed services satisfactorily and is well qualified to provide said services. The Policy and Vendor Performance unit conducted Vendex and Principal Background checks for Future Technology Associates, LLC and no adverse findings was identified. As such, they are deemed a responsible vendor.

The annual costs for this project are shown in Table 1. The labor rates will remain unchanged for the duration of the Agreement. As demonstrated, both FMS/3 and NYCAPS capital costs will decline with the rollout of these systems. Also, FTA will be required to provide knowledge transfer to DOE personnel so that the DOE can assume full responsibility for FAMIS maintenance by the third year of the contract. The declining costs in Table 1 for FAMIS maintenance indicate this increased role for DOE and include the cost of knowledge transfer.

Through negotiations, FTA agreed to lower its rates for the new contract to match the rates paid under its expiring contract. Table 2 compares the FTA hourly rates to the range of hourly rates being paid to other competitively procured DOE providers. As shown, all of the FTA rates are lower or comparable with those provided through these other contracts. Therefore, it can be determined that FTA's rates are fair and reasonable.

Table 1: Cost Estimates by capital and tax levy for each year

Citywide Mandates *	Year 1 Estimates	Year 2 Estimates	Year 3 Estimates	Year 4 Estimates	Year 1 – 4 Capital	Year 1 – 4 Tax Levy
DOE Tax Levy - Application Development for FAMIS	\$5,570,000	\$5,570,000	\$5,570,000	\$5,570,000		
DOE Tax Levy - Maintenance for FAMIS	\$1,515,000	\$750,000	\$250,000	\$0		
FMS/3 Capital	\$9,100,000	\$5,500,000	\$4,000,000	\$4,000,000		
NYCAPS Capital	\$2,000,000	\$1,500,000	\$2,000,000	\$1,500,000		
1 year Total	\$18,185,000	\$13,320,000	\$11,820,000	\$11,070,000		
3 year Total			\$43,325,000			
3 years plus 1 year extension Total				\$54,395,000	\$29,600,000	\$24,795,000

Table 2: FTA and comparable hourly rates from other DOE contracts

Resource Title (Current Contracted Title) – No. of Hours to the program	DOE Contract No. 9602275 (Current Contract Hourly Rates)	Comparison Rates of DOE Contracted Hourly Rates for the same or similar titles by other providers
Project Manager Level II (Manager) – 18,500 hours	\$140	\$151-\$320 (Minibid 1C478)
Project Manager Level III (Senior Manager) – 8,000 hours	\$175	\$178-\$381 (Minibid 1C478)
Programmer/Analyst Level I (Associate Consultant) – 4,000 hours	\$65	\$128-\$234 (Minibid 1C478)
Programmer/Analyst Level II (Consultant) – 55,000 hours	\$110	\$148-\$283 (Minibid 1C478)
Programmer/Analyst Level III (Manager) – 60,000 hours	\$140	\$164-\$314 (Minibid 1C478)
Specialist Level III (Manager) – 4,500 hours	\$140	\$243-\$381 (Minibid 1C478)
Help Desk/Training Level II (Consultant) – 5,000 hours	\$80	\$103 (RFP 1C583)
Help Desk/Training Level III (Senior Consultant) – 5,000 hours	\$110	\$118 (RFP 1C583)

**AUTHORIZATION TO EXTEND A FULL VALUE CONTRACT WITH I.B.M. FOR
THE HOSTING OF THE HUMAN RESOURCES CASE MANAGEMENT SYSTEM
(RFP #1C488)**

Vendor	Estimated Extension Amount	Funding Source	Original Contract Term	Extension Term	Original Procurement Method
I.B.M.	\$330,000	Tax Levy	January 01, 2007 to December 31, 2009	January 01, 2010 to December 31, 2010	Request For Proposal (RFP) One Year Extension

Contract Manager:

Joseph Blundo, Executive Director
HR Connect (DHR)
718-935-3528

Division of Contracts and Purchasing Contact:

Jason Henry, Chief Administrator of Purchasing Operations
718-935-2058

Statement of Purpose:

The Chancellor's approval is sought for a one year extension of a full value contract with I.B.M. for the hosting of the Human Resources Case Management System. The original term of the contract is January 01, 2007 to December 31, 2009. The term of the extension will be from January 01, 2010 to December 31, 2010. This contract was originally awarded pursuant to RFP 1C488 to develop and host case management software for all calls into the Division of Human Resources (DHR). This software is the primary workflow management, service effectiveness measurement, and knowledge management tool used by DHR, and is hosted out of an I.B.M. data center.

Discussion:

To fulfill DOE requirements for providing excellent HR Services to all employees, DHR selected I.B.M. to develop, implement and host a Case Management System based on the Seibel 7.8 software. This software is the heart of the HR Connect Call Center launched in June 2007. The HR Connect call center supports all HR functions including the Benefits Administration Office, the Leaves Administration Office, the Medical Administration Office, the Walk-in Center, and the Support Operations unit maintaining the Mail Room, Teacher Records, and Medical Records. It also processes personal tax and data changes.

To date, HR Connect has processed over 83,000 personal tax and data changes, and over 20,000 leave cases. The HR Connect call center is the first point of contact for all DHR calls, and currently handles approximately 1500 calls a day. All of HR Connect's work is tracked in Seibel 7.8.

The Division of Contracts and Purchasing (DCP) intends to release an RFP seeking solicitations to host the Case Management Tool by September 2009. However, it is expected that after the contracting process has completed, the winning vendor would require several additional months to migrate and test the new system infrastructure during which time the existing system infrastructure will need to continue to function. DHR estimates that the existing systems will need to be supported by I.B.M. well into 2010, while the current contract term will expire on December 31, 2009.

The anticipated spend of \$330,000 for the duration of the requested one year extension is based on an estimated monthly spend of \$24,000 plus development costs. Pricing and Terms and Conditions for this contract extension will remain the same as the original contract.

AUTHORIZATION TO ENTER INTO AGREEMENTS WITH ELIGIBLE PROVIDERS FOR THE LITERACY PROFESSIONAL DEVELOPMENT SERVICES FOR THE NEW YORK CITY DEPARTMENT OF EDUCATION (PQS #R0688)

Estimated Contract (s) Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
\$29,581,865	Various including Tax levy & Reimbursable funds	July 1, 2009 – June 30, 2014 (5 years)	Pre-Qualification Solicitation	No	Requirements
Vendor Name & Address					
	See Table Below for Awardees and Contract Data (Appendix A)				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts and Purchasing</u>
Ana Commitante, Senior Knowledge Manager	James E. Whitfield, Procurement Contract Manager
Office of Teaching and Learning	Division of Contracts and Purchasing (DCP)
Tel: 212-374-2464	Tel: 718-935-5129

Statement of Purpose

The Chancellor's approval is sought to enter into requirements contracts with the seventeen (17) vendors listed in Appendix A, to provide literacy services in the form of professional development and student coaches. These programs will be provided at the discretion of each participating school. The estimated annual cost for said services is \$29,581,865.

One-year Literacy Professional Development (RFP# 1C313) contract extensions issued in 2008 will expire on June 30, 2009. Vendors selected for awards pursuant to this Pre-Qualification Solicitation (PQS) will provide comprehensive professional development services for various instructional programs conducted by the school support organizations, schools and central offices throughout the City. The contracts will last five- years starting on or about from July 1, 2009 through to June 30, 2014.

Discussion

Vendors were asked to propose for one or more of the following components:

- Component 1 – Professional Development Services
- Component 2 – Literacy Coaches

Proposals were scored based on Program Plan (25 points), Demonstrated Effectiveness (25 points), Organizational Capacity (25 points) and Price (25 points). An evaluation committee was established with representatives from the Office of Teaching and Learning. 20 vendors submitted proposals of which 17 have been approved and 3 were rejected. The selected awardees demonstrated a strong capacity to provide the required services, and a clear understanding of how their services would be implemented.

The non-awarded vendors either failed to fully meet the minimum solicitation requirements, provide sufficient evidence of quality of services, and/or show capacity to implement at the level required to support New York City schools.

NON-AWARDED VENDORS

VENDOR	AREAS TARGETED FOR IMPROVEMENT
Staff Development Workshops	Pricing was high relative to similar proposals, the organization lacked sufficient staff, and the Program Plan was too broad in its explanation of services.
Creative Arts Team	Program Plan/Narrative did not clearly support the literacy instruction goals for this solicitation. Pricing was high relative to similar proposals.
Brienza's Academic Advantage	Program Plan was too general and didn't address the components of the PQS accurately. Pricing was high relative to similar proposals.

The Vendor Policy and Performance Unit conducted background checks for Vendors whose estimated contract amounts exceeded \$1 million. Vendors with contract amounts below the \$1 million threshold were checked by reviewing the Department of State Uniform Commercial Code/Lien Search, Excluded Parties List System, Vendex, and the Vendor Watch List. There was no significant adverse information revealed for any provider. Thus, having been reviewed and approved for an award by the vendor selection committee, all vendors selected are deemed responsible.

Vendor Policy and Performance's Cost-Price Analysis unit reviewed contracts exceeding \$3 million and found that the proposed pricing was consistent with rates for comparable competitively awarded contracts. For the vendors whose contract totals were less than \$3 million, rates were compared to those awarded vendors from prior years usage and rates. All awarded vendor rates were deemed fair and reasonable.

All service requests over \$25,000 must go through the Multiple Task Award Contract (MTAC) process for procurement of services. In such cases, users will create a scope of services and conduct a mini-solicitation process among the awarded vendors in their awarded areas. Vendors will be required to provide a scope 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 (PO). This process is to ensure competition among the large number of vendors eligible to provide service as a result of this procurement.

The estimated annual contract amounts for vendors with pre-existing contracts was based on prior year utilization, the actual expenditures for the past three years and the anticipated spend for the proposed programs listed in the submitted proposal. For vendors new to the system, estimated annual amount was based on discussions with the program owner, the internal client regarding anticipated usage, and consideration of the vendors' availability to perform the proposed service.

Future RAs for these services will be submitted in batches as new providers are presented for an award.

Appendix A

	Awarded Vendors	Estimated Annual Amount
1.	<u>Achieve 3000</u> 1091 River Avenue, Lakewood, NJ 08701	\$210,000
2.	<u>America's Choice</u> 39 Broadway, Suite 1850, New York, NY 10006	\$1,298,800
3.	<u>Baum and Beaulieu Associates</u> PO Box 582, Great River, NY 11736	\$116,300
4.	<u>Catapult Learning</u> 66 Willow Avenue, Staten Island, NY 10305	\$166,250
5.	<u>EduChange, Inc.</u> 421 Hudson Street., New York, NY 10014	\$629,615
6.	<u>Fordham University</u> 441 East Fordham Road, Bronx, NY 10458	\$547,000
7.	<u>Kaplan, Inc. (Kaplan K12 Learning Services)</u> 888 7 th Avenue, New York, NY 10106	\$6,657,100
8.	<u>Lesley University</u> 47 Old Webster Road, Oxford, MA 01540	\$245,200
9.	<u>Literacy Support Systems</u> 70 Parkside Drive, Point Lookout, NY 11569	\$140,600
10.	<u>NYC Writing Project/Research Foundation, CUNY Institute for Literacy at Lehman College</u> 50 Bedford Park Boulevard West, Bronx, NY 10468	\$5,910,000
11.	<u>Teachers College – Reading and Writing</u> 525 West 120 th Street, New York, NY 10027	\$3,212,800
12.	<u>Ventures Education Systems Corp</u> 15 Maiden Lane, New York, NY 10038	\$139,000
13.	<u>Accelerated Literacy Learning</u> 161 West 61 st Street, Suite 14F, New York, NY 10023	\$1,300,000
14.	<u>American Reading Company</u> 201 S. Gulph Road, King of Prussia, PA 19406	\$146,900
15.	<u>AUSSIE</u> 352 Seventh Avenue, Suite 12A, New York, NY 10001	\$5,910,000
16.	<u>Voyager Expanded Learning</u> 161 West 61 st Street, Suite 14F	\$112,300

17.	<u>Teachers College, Literacy Collective</u> 161 West 61 st Street, Suite 14F	\$2,840,000
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AUTHORIZATION TO ENTER INTO AGREEMENTS WITH ELIGIBLE PROVIDERS FOR SCHOOL-BASED MENTAL HEALTH AND BEHAVIORAL SERVICES FOR THE NEW YORK CITY DEPARTMENT OF EDUCATION (“NYCDOE”) (PQS R0695)

Funding Source	Terms of Contracts	Procurement Method	Contract Type	Is Contract Retroactive?
System-wide Requirements Contracts	Five (5) Years: January 01, 2009 to December 31, 2013	Extension based from Pre- Qualified Solicitation ("PQS")	Requirement	No

Awarded Vendors	Components	Estimated Annual Amount	Estimated 5 Year Amount
Safe Space	Clinical & Supplemental	\$ 157,872	\$ 789,360
Mount Sinai Adolescent Health Center	Clinical	\$ 13,145	\$ 65,728
Children’s Aid Society	Clinical & Supplemental	\$ 148,104	\$ 740,523
Institute for Family Health	Clinical & Supplemental	\$ 85,852	\$ 429,260
Montefiore Medical Center	Clinical	\$ 21,018	\$ 105,090
Interborough Developmental and Consultation Center, Inc.	Clinical & Supplemental	\$ 226,886	\$ 1,134,432
Hudson Guild	Clinical & Supplemental	\$ 31,452	\$ 157,263
The Children Center of NY	Clinical & Supplemental	\$ 96,411	\$ 482,058
ICD (International Center for the Disabled)	Clinical & Supplemental	\$ 121,138	\$ 605,693
Coney Island Hospital	Clinical & Supplemental	\$ 43,164	\$ 215,821
Puerto Rican Family Institute, Inc.	Clinical	\$ 22,024	\$ 110,120
Federation Employment and Guidance Service, Inc. (F·E·G·S)	Clinical & Supplemental	\$ 260,218	\$ 1,301,092
(40% of students with Medicaid & 40% 3 rd party Insurance)	Total	\$ 1,227,288	\$ 6,136,444

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts and Purchasing Contact</u>
Roger Platt, Executive Director - Office of School Mental Health	Bashar Assana, Procurement Analyst - Professional Services Procurement Unit
Office of School Health (“OSH”)	Division of Contracts & Purchasing (“DCP”)
212-374-2301	718-935-3624

STATEMENT OF PURPOSE

The Chancellor’s approval is sought to contract with the vendors listed above to provide school based mental health and behavioral services, by establishing new site(s) and/or expanding services at existing site(s). This authorization will result in the award of 12 PQS contracts. The terms will be five (5) years beginning on or about January 1, 2009 and continue through December 31, 2013. OSH anticipates that approximately 140 additional schools will wish to participate in establishing new or expand existing school-based mental health and behavioral services by purchasing clinical services and/or supplemental services. OSH estimated that 40% of children have Medicaid and 40% have third party insurance. Therefore, 80% of the proposed amounts for the clinical services will be reimbursed by Medicaid and/or third party insurance. The estimated annual amount is \$ 1,227,288 and a total of \$ 6,136,444 for the five years.

DISCUSSION

This program offers schools the option of having clinical mental health services or supportive supplementary services to fit schools needs, such supplemental programs are: Parent Training, Crisis Intervention, Case Management and others.

Prior to this PQS, some clinics provided clinical services to schools and were reimbursed by Medicaid and/or third party insurance. These clinics, however, also provided services not reimbursed, such as teachers training, parents training and classroom observation (supplemental services). The providers can no longer provide those services gratis but schools have made it clear to OSH that they require them. This PQS will encourage schools to participate in establishing new and/or expanding current clinical services and getting the required supplemental services.

Pre-qualified vendors will be eligible for the Multiple Task Award Contract (“MTAC”) process and participate in a mini-solicitation process, which will require a more focused and direct explanation of the services proposed to the schools.

Schools seeking clinical services through MTAC will provide estimates of the percentage of children whose services will be paid through Medicaid and/or third party insurance reimbursements. Schools will then make up the difference through their own budget. Schools may purchase supplemental services, in addition to clinical services. Supplemental services are not affected by this percentage and will be paid for out of school budgets. Also, during the MTAC process, schools will specify whether or not they purchase services during the summer months.

Twelve (12) proposals were received as a result of the PQS and the Evaluation Committee unanimously determined that all of them met our requirements.

Initially, the PQS required a minimum of 22 hours per week of clinical services and a minimum of 10 hours per week for supplemental services. After the release of the PQS and the initial evaluation, OSH decreased the minimum number of hours to reduce costs. The new hours are: Minimum of 10 hours per week of clinical services and minimum of 1 hour per week for supplemental services.

A background check revealed no adverse information regarding the listed vendors. Since Coney Island Hospital is part of the New York City Health and Hospitals Corporation (HHC), they were not required to complete Vendex forms nor submit insurance certificates because they were self insured and therefore, all vendors are deemed responsible. The committee determined that pricing offered by vendors for clinical and supplemental services were consistent and comparable with market rates and competitively awarded contracts such as Whole School Reform RFP#1C439, Student Support Services RFP #1C510, Safe and Supportive Schools RFP #1C609 and Prevention and Intervention Services RFP # 1C320. Therefore the prices and rates are considered fair and reasonable.

Additional RAs will be submitted in batches as new providers are added. DCP will approve additional vendors as they are deemed qualified based on the evaluation criteria.

REQUEST FOR AUTHORIZATION

To provide instructional and support services in nonpublic schools eligible for such services using Title I funding. (PQS# R0741)

Estimated Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
\$30,000,000	Federal Funds- Title I	Five Years 7/1/09- 6/30/14	Pre-Qualified Solicitation	No	Requirements
Vendor Name & Address	See Table Below For Awardees and Contract Data				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts & Purchasing Contact</u>
Caren Zayde Moncher, Director	Stephen Stamo, Procurement Analyst
Bureau of Nonpublic School Reimbursable Services (BNPS)	Division of Contracts & Purchasing (DCP)
718-935-4970	718-935-4360

STATEMENT OF PURPOSE

The Chancellor's approval is sought to contract with the vendors indicated below to provide instructional and support services in reading, writing, mathematics, English as a Second Language (ESL), and guidance related services to students enrolled in private schools. The proposed contracts will be for a 5 year term with total estimated annual spending of approximately \$6,000,000.

DISCUSSION

Part A of the Elementary and Secondary Education Act (Title I) allows the NYCDOE to provide supplemental instructional services to nonpublic schools directly or through contracts with public and private agencies, organizations, and institutions. Review of a pilot program with Catapult Learning determined that the use of contractors was more cost effective than using NYCDOE pedagogical staff. Also, the NYCDOE does not have sufficient capacity to provide these services for some categories of nonpublic school students due to limited access at schools for available NYCDOE staff.

DCP, on behalf of the Bureau of Nonpublic Schools (BNPS), issued a Pre-Qualified Solicitation (PQS# R0741) seeking proposals from organizations to provide instructional services in the areas of reading, writing, mathematics, and ESL for failing or at risk students. Along with instruction, selected vendors will collaborate with the BNPS to monitor the success of students, provide professional development to the teachers and provide workshops for the students' families, as required by Title I.

Ten (10) proposals were received, of which two (Chrysallis Empowerment and Tutors on Wheels) were found non-responsive. Their proposals did not provide documentation of 3 years experience demonstrating any knowledge of Title I legislation and rules as required in the minimum qualifications of the PQS. An evaluation committee, consisting of representatives from the Office of School Support Services and the Bureau of Non-Public Schools, evaluated the remaining proposals based on: Program Plan (30 points), Organization Capacity (25 points), Demonstrated Effectiveness (20 points) and Pricing (25 points). The evaluation committee recommended award to those vendors who scored above 80. The non- awarded vendors failed to demonstrate their ability to provide effective Title I services pursuant to the terms set forth in the PQS. (See Table below for details.)

The program budget is \$6,000,000 annually. Having no prior contract history, the estimates for each vendor is the same. Of course, actual usage will vary.

Background checks were performed on each of the four vendors proposed to receive an award and revealed no significant adverse findings. However, a subcontractor for NESI, Teachscape, may not perform any services under this contract until their Vendex submission is entered into the Vendex. The recommended firms, therefore, are responsible.

The Cost/ Price Analysis Unit determined the prices for each awarded vendor are fair and reasonable as the prices are less than or equal to their NCLB Supplemental Educational Services contracts, which have similar cost elements to the services under this PQS.

The chart below indicates the ranking and pricing of the awarded and non-awarded vendors.

VENDOR	ESTIMATED CONTRACT AMOUNT	DETERMINATION & REASONS
Catapult Learning Inc.	\$1,500,000	Awarded
N.E.S.I	\$1,500,000	Awarded
Brienza's Academic Advantage	\$1,500,000	Awarded
Higher School	\$1,500,000	Awarded
Princeton Review	N/A	Proposal and oral presentation showed only vague knowledge of Title I rules and legislation, insufficient to run this program.

National Society for Hebrew Day School	N/A	Did not demonstrate extensive knowledge of Title I legislation. Insufficient evidence of prior success directly related to implementation of Title I services.
Broadnet Services	N/A	Did not demonstrate extensive knowledge of Title I legislation. Proposal geared towards tutoring services.
Binet	N/A	Experience lacking in curriculum areas. Too much emphasis on children with special needs and learning disabilities
Tutors on Wheels	N/A	Proposal did not contain documentation demonstrating any knowledge of Title I legislation and rules.
Chrysallis Empowerment	N/A	Proposal did not contain documentation demonstrating any knowledge of Title I legislation and rules.

REQUEST FOR AUTHORIZATION

TO ENTER INTO REQUIREMENTS AGREEMENTS WITH EARLY CHILDHOOD PROVIDERS FOR THE PROVISION OF PREKINDERGARTEN SERVICES FOR FOUR-YEAR-OLDS FOR THE UNIVERSAL PREKINDERGARTEN PROGRAM (RFP SERIAL NO. R0736)

Estimated Contract Cost	Funding Source	Contract Term	Procurement Method	Is Contract Retroactive?	Contract Type
\$3,651,278.64 Base Allocation	State UPK Funding	Three (3) years plus unilateral DOE options to extend for two (2) one-year periods or one (1) period of two (2) years.	RFP	No	Requirement
Vendor Name & Address	See Table Below				

<u>Service Requestor/Contract Manager</u>	<u>Division of Contracts & Purchasing Contact</u>
Recy Dunn, Executive Director	Maxine Needle, UPK Director
Division of Teaching and Learning	Division of Contracts and Purchasing
(212) 374-2324	(718) 935-4355

STATEMENT OF PURPOSE

Approval is sought to enter into contracts with forty-one (41) vendors listed in the table below to provide Universal Prekindergarten (UPK) services for four-year-olds. The term of the contracts is three (3) years. Each contract includes a unilateral DOE option to renew for two (2) one year periods or one (1) period of two (2) years subject to the availability of funds.

BOROUGH	CSD	VENDOR	ESTIMATED SEATS AWARDED	ESTIMATED AWARDED PRICE PER SEAT	ESTIMATED ANNUAL CONTRACT AMOUNT
M	5	St. Charles Borromeo	18	\$3,349.37	\$60,288.66
M	5	Children's Storefront	18	\$3,318.99	\$59,741.82
M	5	Antioch Baptist Church Day Care	18	\$3,160.68	\$56,892.24

BOROUGH	CSD	VENDOR	ESTIMATED SEATS AWARDED	ESTIMATED AWARDED PRICE PER SEAT	ESTIMATED ANNUAL CONTRACT AMOUNT
R	20	American European Child Care Center, Inc.	28	\$3,500.00	\$98,000.00
R	31	Immaculate Conception School	18	\$3,400.00	\$61,200.00
R	31	St. Mary's Parochial Elementary School	18	\$3,600.00	\$64,800.00
R	31	Holy Rosary Parochial Elementary School	18	\$3,600.00	\$64,800.00
R	31	Institute of the Sister's of St. Dorothy - Academy of St. Dorothy	18	\$3,300.00	\$59,400.00
R	31	St. Peter's Elementary School	18	\$3,300.00	\$59,400.00
R	31	St. Christopher School	15	\$3,300.00	\$49,500.00
R	31	4 Angels Day Care, Inc.	13	\$3,350.00	\$43,550.00
R	31	Rabbi Jacob Joseph School	18	\$3,300.00	\$59,400.00
R	21	Congregation Mishkan Yecheskel	18	\$3,400.00	\$61,200.00
R	21	Ateret Torah Center, Inc.	18	\$3,400.00	\$61,200.00
R	31	St. John's EV Lutheran Church & School	18	\$3,400.00	\$61,200.00
R	21	Congregation Ohr Shraga D'Veletzky	18	\$3,650.00	\$65,700.00
R	17	Research Foundation of SUNY	18	\$3,700.00	\$66,600.00
R	21	Yeshivah Ohel Moshe	18	\$3,300.00	\$59,400.00
X	8	Lil Angels Academy	44	\$3,400.00	\$149,600.00
X	8	Just 4 Kids Soundview	18	\$3,300.00	\$59,400.00
X	12	St. John Chrysostom	36	\$3,700.00	\$133,200.00
X	11	Santa Maria Elementary School	36	\$3,600.00	\$129,600.00
X	8	St. Theresa School	36	\$3,600.00	\$129,600.00
X	10	St. Ann Parochial Elementary School	36	\$3,600.00	\$129,600.00
K	15	Bais Yaakov Faigeh of Schonberger of Adas Yereim	18	\$3,300.00	\$59,400.00
K	14	United Academy	108	\$3,300.00	\$356,400.00
K	19	New Age Family Day Care	18	\$3,300.00	\$59,400.00
Q	25	St Mel School	36	\$3,312.76	\$119,259.36
Q	24	Evangelical Lutheran Church of the Redeemer	18	\$3,340.00	\$60,120.00
Q	28	Bessie & Nora's Place, Inc.	18	\$3,310.00	\$59,580.00
Q	27	St. Luke's Evangelical Lutheran Church	36	\$3,330.00	\$119,880.00
Q	28	TLC Spirit, LLC	24	\$3,300.00	\$79,200.00
Q	29	Early Sunrise Preschool and Kind., Inc.	36	\$3,330.00	\$119,880.00
Q	28	Jewish Institute of Queens	34	\$3,332.13	\$113,292.42
Q	26	Immanuel Group, Inc.	36	\$3,304.00	\$118,944.00
Q	29	Grace Lutheran Day School	18	\$3,359.34	\$60,468.12
Q	29	A to Z Center Too, Inc.	36	\$3,400.00	\$122,400.00
Q	30	Jackson's Children's Services	18	\$3,360.89	\$60,496.02
Q	27	St. Anthony of Padua	36	\$3,325.00	\$119,700.00
Q	28	Yeshiva Ohr Haiim	18	\$3,327.00	\$59,886.00
Q	24	Mi Nuevo Mondo	36	\$3,325.00	\$119,700.00

DISCUSSION

Chapter 436 of the Laws of 1997 provides for New York State's Universal Prekindergarten Program (UPK). The UPK program entitles eligible four year olds to receive two and a half hours of UPK services a day at no charge to families. The law requires ten percent of funding from the UPK program be allotted to community-based organizations to achieve universal access to prekindergarten services.

The Universal Prekindergarten Program operates in all five Boroughs within public schools and non-public school settings. Achieving universal access to prekindergarten services depends on the partnerships that link community-based organizations with the public schools.

Request for Proposals (RFP) R0736 was released on January 30, 2009 seeking eligible high-quality early childhood providers to implement programs in districts with a high need for prekindergarten seats. Vendors were to provide half-day programs that will run for 2.5 hours per day, 5 days per week for the 180 day school year.

Each borough had its own evaluation committee composed of a minimum of three members typically drawn from the Borough Director, Contract Manager, Instructional Manager or Early Childhood Coordinator.

In order to assure continuity of scoring among the many readers all vendors who met minimum qualifications were evaluated based on the following criteria:

Response Category	Maximum Points
Program Plan	20 Points
Organizational Capacity	20 Points
Demonstrated Effectiveness	20 Points
Site Visit	40 Points
Total	100 Points

The program office established a minimum score of 80 points for awards. Guidance for evaluating programs within the above scoring matrix context was provided by the program office to all Borough Directors and Managers.

Awards are made only to vendors whose service areas are in need. Need for services are based on city wide surveys of enrollment patterns, capacity analysis, and new Public School construction impact conducted by the Office of Early Childhood Education, the Office of Student Enrollment and the Office of Portfolio Development. Data on Public School Pre-K program enrollment capacity, and demand proximate to the proposed UPK site, was also used to assess need for services.

The Boroughs negotiated with the highest scoring vendor in each area of need to achieve fair and reasonable prices. If the negotiation failed, then the next highest scoring vendor was negotiated with until the Boroughs requirements on budget were met.

Last year's RFP resulted in an average per child price of \$3,482.71. This year's estimated average price per child is \$3392.32. The state provides \$3,300 per child.

In all, eighty four (84) vendors submitted proposals. Six (6) vendors did not meet minimum qualifications; five (5) vendors were ACS providers and have to apply through the ACS qualifying tool, one (1) vendor had a contract renewal and should not have applied, and thirty-one (31) vendors did not score high enough to be recommended for award. In all, forty-one (41) vendors are being recommended for award.

The background review process has been initiated for the aforementioned vendors. Although some background reviews have not been completed, the contracts will not be registered until any adverse significant issues are satisfactorily addressed.