

**Joint Legislative Audit and Review Commission  
of the Virginia General Assembly**



**Department of Education:  
Student Assessment Program Procurement**

**Subcommittee Briefing  
November 14, 2005**

# **Staff for this Study**

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**Bob Rotz, Division Chief**

**Justin Brown, Project Leader**

**Greg Rest, Chief Methodologist**

**Christine Wolfe**

# Mandates

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- **October 21, 2005 letter from Chairman Callahan to Chairman Putney requesting JLARC staff review**
  - How the RFP was developed
  - The process to evaluate submissions
  - Whether vendors disclosed previous on-line scoring problems
  - Whether references were contacted and due diligence taken
  - Role of State Board of Education
  
- **October 25, 2005 letter from Chairman Putney to JLARC staff Director requesting review**
  - Appointment of special subcommittee consisting of Delegates Wardrup, Cox, and Joannou and Senator Norment

# Presentation Outline

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- Preliminary Information
- JLARC Issues and Methods
- Review Status

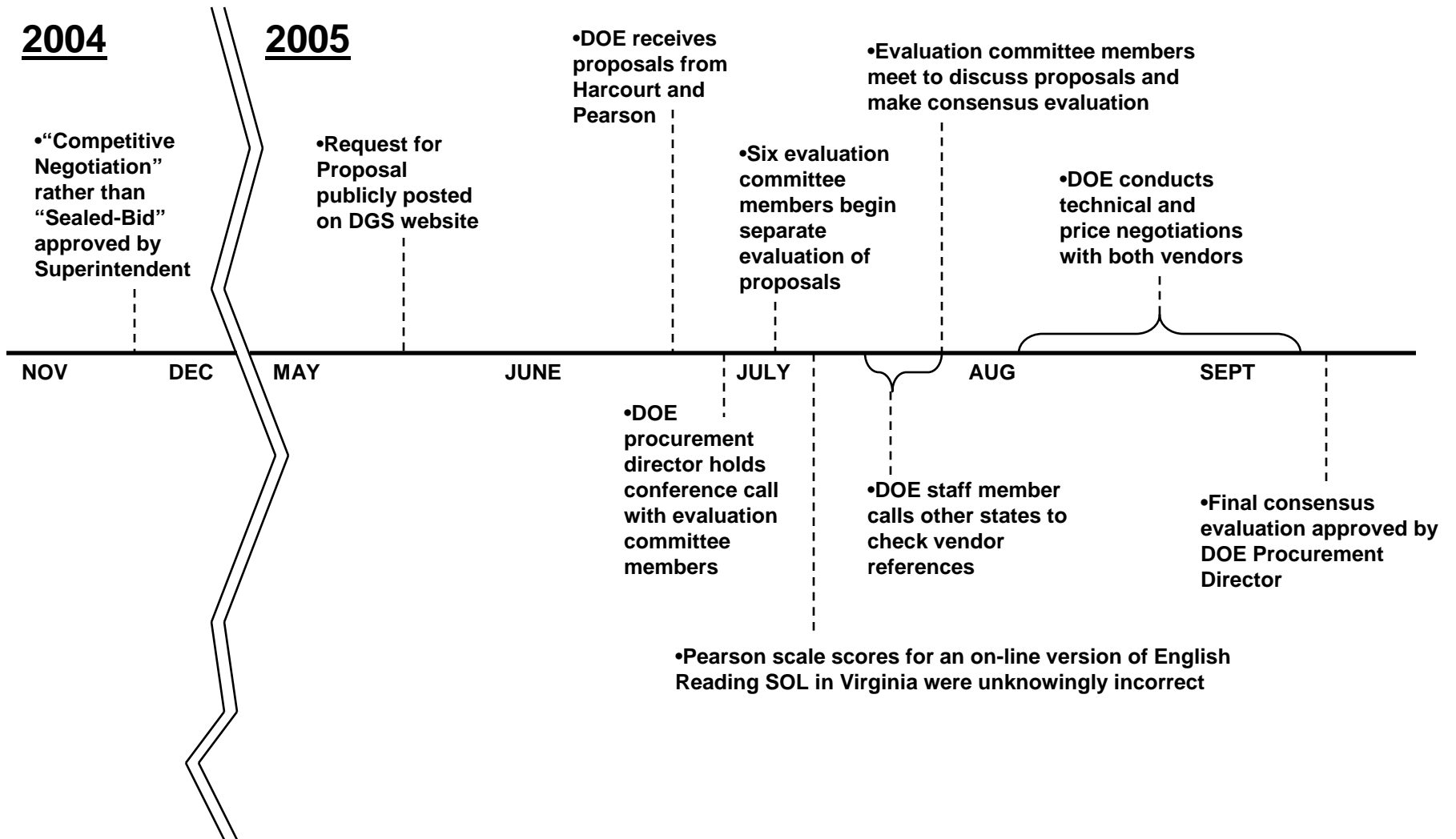
# Purpose and Rationale of DOE Procurement

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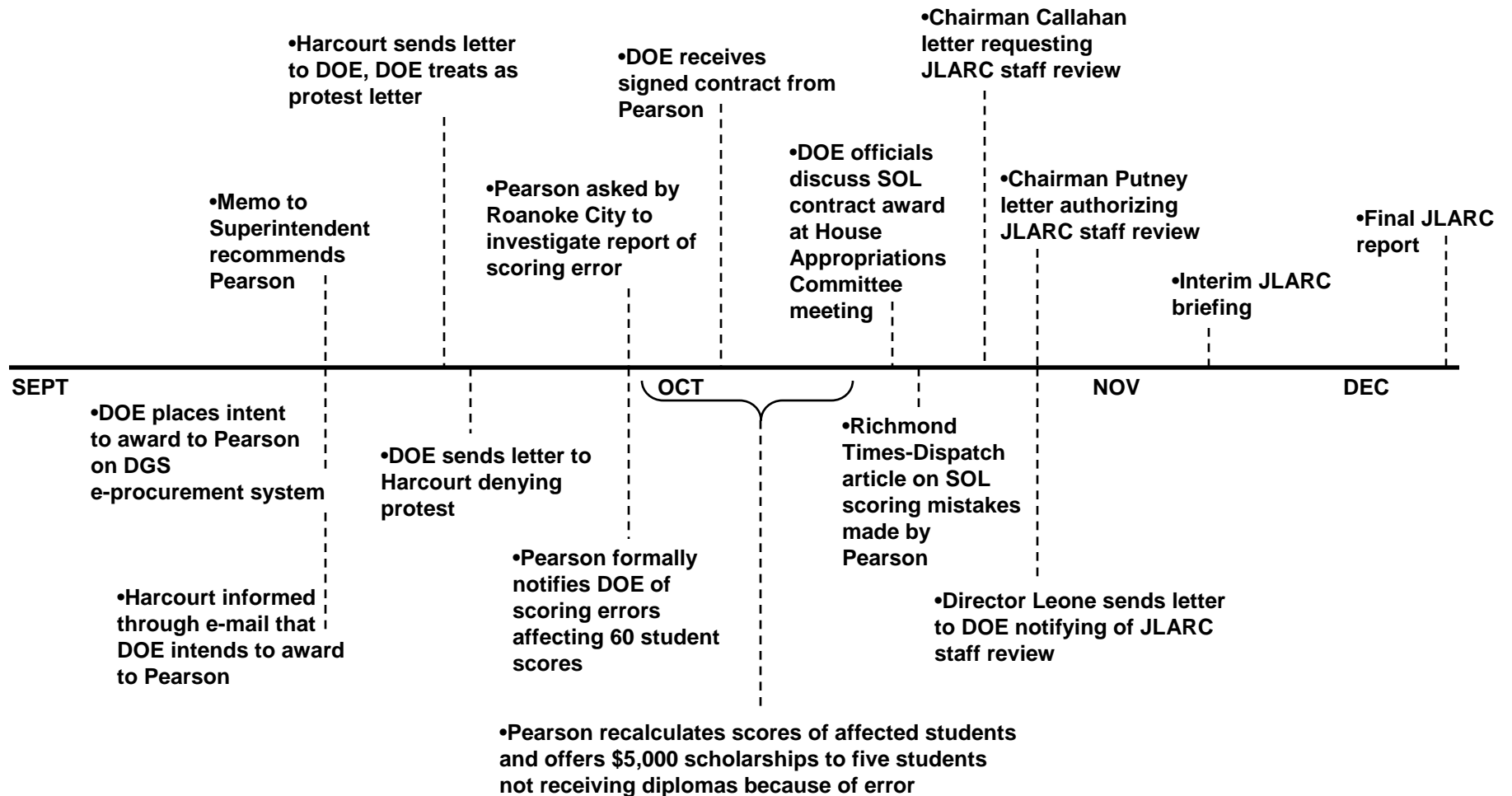
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- In 2004, DOE initiated a statewide student assessment procurement to:
  - Secure a vendor to perform development, administration, scoring, and reporting of pencil/paper and on-line SOL tests for all school divisions in the State
  - Consolidate the statewide student assessment program—previously involving three vendors—under a single contract
  
- Prior to the procurement:
  - Harcourt Assessment, Inc. conducted test development and administration
  - Pearson Educational Measurement conducted test scoring and reporting, and on-line testing
  - Questar Educational Systems conducted administration, scoring, and reporting for alternate assessments for students with disabilities

# Timeline of Key Events



# Timeline of Key Events (continued)



# DOE Procurement Determination

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- DOE staff obtained approval from Superintendent of Public Instruction to use competitive negotiation rather than competitive sealed bid
  
- Rationale, according to DOE, was that:
  - Both technical qualities and cost need to be considered
  - Past experience indicates that negotiations have been “fiscally very positive to the Commonwealth”

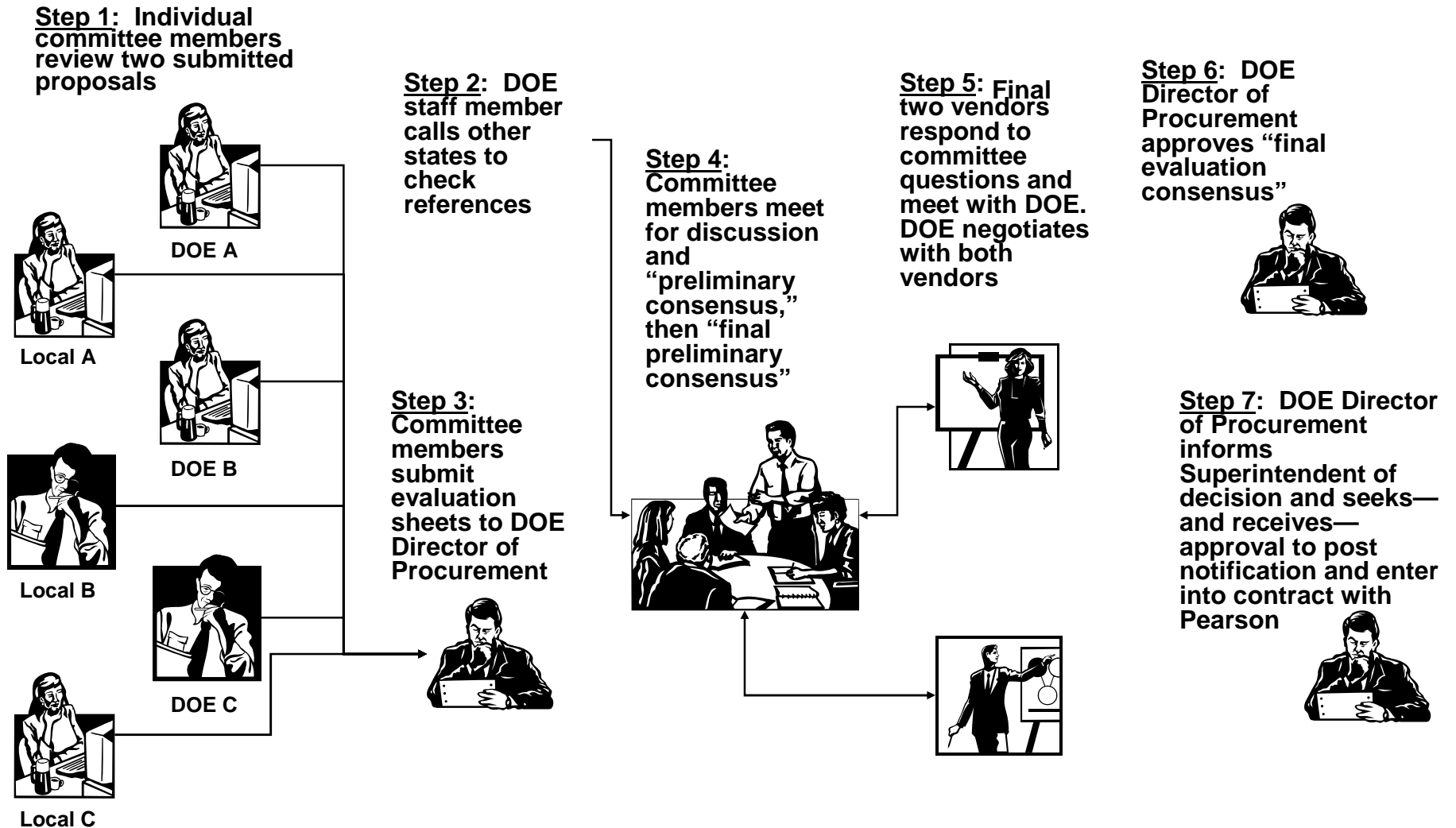
# Request for Proposal

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- **Request for Proposal document was 146 pages**
  - **Outlines process for procurement**
  - **Outlines criteria that was used by DOE during evaluation**
  
- **Defines requirements for vendor proposals**
  - **Test development**
  - **Test administration**
  - **Scoring and reporting**
  - **Contract transition**
  - **Additional requirements, including project management and qualifications of offeror**

# DOE Proposal Evaluation Process



# DOE Proposal Evaluation Criteria

Criteria	Weighting
<b><u>Qualifications of Offeror</u>, including company experience, ability to provide quality services, and references</b>	<b>30</b>
<b><u>Test Development</u>, including items, standards, field tests, and forms</b>	<b>20</b>
<b><u>Administration, Scoring, and Reporting</u>, including procedures for paper/pencil and online testing, quality control, and security</b>	<b>20</b>
<b><u>Project Management</u>, including project plan, coordination, and staff qualifications</b>	<b>15</b>
<b>Price</b>	<b>15</b>

# Preliminary and Final Evaluation Scoring

	<i>Preliminary</i>		<i>Final</i>	
	<b>Harcourt</b>	<b>Pearson</b>	<b>Harcourt</b>	<b>Pearson</b>
<b>Qualifications of Offeror</b>	14	25.8	13.2	26.5
<b>Test Development</b>	17.3	14.7	17.7	17
<b>Administration, Scoring, and Reporting,</b>	11.5	17.7	9.8	18
<b>Project Management</b>	9.8	13.2	9.5	13.3
<b>Price</b>	15	10.65	15	11.17
<b>TOTALS</b>	<b>67.67</b>	<b>81.98</b>	<b>65.17</b>	<b>86</b>

# DOE Negotiated With Each Vendor

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- **According to DOE, vendor negotiations occurred between August 4 and September 9**
- **Harcourt lowered total costs from \$106 million to \$104 million**
  - **Estimate included minimal fixed costs for the first contract year**
- **Pearson lowered total costs from \$149 million to \$139 million**
  - **According to DOE, the actual amount will depend on how the variable costs change each year**
  - **According to DOE, Pearson's total costs are within the budgeted amount for the program**

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# Issue 1

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- **Were proper procedures followed by DOE throughout the procurement process?**
  - **How was the RFP developed?**
  - **To what extent were the Superintendent of Public Instruction and the Board of Education involved?**
  - **Does the contract stipulate levels of performance and minimize risks to the State if testing mistakes are made in the future?**
  - **Did negotiations occur between DOE and the vendors about the cost estimates?**

# Issue 2

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- **Does the DOE evaluation of the proposals appear complete and reasonable?**
  - **What was the process used to evaluate the proposal submissions?**
  - **How were the evaluation criteria developed, who was involved, and how was the weighting of the criteria determined?**
  - **Was past performance a criterion to compare and assess proposals, and if so, were previous problems in scoring on-line tests disclosed by the vendors, and considered?**
  - **Did the evaluation committee seek information about previous mistakes by each vendor in scoring tests?**
  - **Were the references provided properly contacted and if so, was the information provided considered?**

# Issue 3

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- **Is there a clear rationale for the decision to select Pearson?**
  - **Does the existing documentation support the selection decision, and was appropriate due diligence taken by the evaluation committee?**
  - **Do the settlement costs incurred by Pearson contribute to the difference in contract costs between Pearson and Harcourt?**
  - **How, if at all, would the scoring mistakes in Virginia, if known during the evaluation process, have impacted the award decision?**

# Issue 4

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- **How, if at all, should the current procedures for awarding similar contracts in the future be changed?**
  - **Does the process to award such contracts need to change?**
  - **Do the participants and their level of involvement in the process need to change?**
  - **How are other policy-making boards involved in the contracting process?**

# JLARC Staff Research Methods

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## ■ Documentation Review

- RFP
- Vendor proposals
- Evaluation committee scoring sheets
- Reference notes
- Negotiation documentation

## ■ Interviews

- All six evaluation committee members
- Key DOE personnel
- Vendors

# Presentation Outline

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# Status of JLARC Staff Review

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- Continue meeting with evaluation committee members
- Continue meeting with key DOE personnel
- Continue reviewing procurement documentation
- Meet with Harcourt and Pearson staff
- Draft and provide final report to JLARC subcommittee on December 12