



State of Louisiana

Division of Administration
Office of the Commissioner

FOR IMMEDIATE RELEASE

Contact: Meghan Parrish, 225-342-7000

DOA Issues Correspondence To La. Dept. Of Education On Contracts For State Education Assessment

BATON ROUGE – Today, the Office of Contractual Review in the Division of Administration issued correspondence to the Louisiana Department of Education (LDOE) regarding contracts for state education assessments.

Upon the initial review of the contracts, the Office of Contractual Review found that if LDOE were to use the existing contracts with Data Recognition Corporation (DRC) for PARCC assessments it would be outside of the contracts' intended scope.

The findings include a statement from LDOE during the approval process for the sole source contract with DRC, which indicates that if the Department were to move to a new test in a consortium, that each member state would seek a contractor for test administration, and that LDOE would comply with all purchasing and bidding requirements under Louisiana law when the test was purchased.

Superintendent John White:

As you know, the Division of Administration (DOA) has suspended approval of and is currently reviewing certain contracts between the Louisiana Department of Education (LDOE) and the Data Recognition Corporation (DRC). Upon our review, we have identified several areas of concern with respect to these contracts.

In 2003, LDOE competitively bid and awarded State educational assessment consulting services to DRC. The original contract term was July 2003 to June 2008, and through a series of 12 amendments the contract was extended to 2015 for a total value of over \$66.5 million.

In 2011, LDOE entered into a separate multi-year, sole source, contract with DRC for support services for State education assessment implementation. This contract began on July 1, 2011 through June 30, 2015, and was amended on four separate occasions for a total value of over \$48 million.

LDOE provided formal justification for using a sole source for this contract to DOA on December 30, 2010 and in further email correspondence LDOE specifically stated that the sole source contract should be awarded to DRC because “moving to a new vendor in the final three years of this assessment program would cause the state to incur unnecessary startup costs, in addition to ongoing annual costs”. LDOE stated the contract was for current and transitional Louisiana tests that will remain in place through 2013-2014 and will lead to better performance on the statewide common assessments to be implemented in 2014-2015. LDOE further stated that in 2014-2015 all member states of the Partnership for Assessment of Readiness for College and Careers (PARCC) consortium will move from their own tests (provided by DRC through the sole source contract) to a common, or shared test. LDOE stated that at that time, each member state would seek a contractor for test administration and that LDOE would comply with all Louisiana purchasing and bidding requirements when that time came, indicating LDOE knew future common assessments would require additional procurement for those services.

Based on your recent statements, LDOE appears to now be asserting that the existing sole source contract with DRC can be utilized to subcontract with another assessment vendor, PARCC, for future common assessments. The DRC sole source contract and its sole source justification indicate that the DRC contract does not include services related to common assessment for 2014-2015, rather, it is limited to assessments and services up to and through the transition tests. The assertion that PARCC can be included in the existing contract also directly contradicts the justification for sole source used by LDOE for the contract. Sole source designation, as defined by La. R.S. 39:1597 and LAC 34:V.142 (A)(2), can only be made if only one source exists for the services requested by the participating agency. By definition you cannot have multiple vendors capable of providing the same service in a sole source contract.

For these reasons, I believe it is necessary and appropriate to expand the review mandated by Executive Order No. BJ 2014-7 to include a full review of the contracting process that was utilized for the current DRC contracts and the availability of other potential suppliers. I will notify you in the near future of any additional findings. Please feel free to contact the Division with any additional information you would like to have considered.

Sincerely,

Pamela Bartfay Rice, Esq.
Interim Director, Office of Contractual Review

###