



Roy Cooper  
*Governor*

Eric Boyette  
*Secretary of Information Technology  
State Chief Information Officer*

---

## Contract Award Recommendation

**To:** Andrea Pacyna  
Deputy Chief IT Procurement Officer  
Department of Information Technology

**From:** Tymica Dunn  
Procurement Chief  
Department of Public Instruction

**Date:** June 7, 2019

**Subject:** Contract Award Recommendation  
Read to Achieve Diagnostics - Requisition # - RQ20680730, DIT File #300042

**Reference #:** Request for Negotiations 40-RQ20680730A, DIT File #300042

Enclosed for your review and approval is the award recommendation for Requisition # RQ20680730.

Bids received pursuant to RFN #40-RQ20680730A have been reviewed and an Evaluation Committee hereby requests the Statewide IT Procurement Office to award the contract, as follows:

<b>Description:</b>	Read to Achieve Diagnostics – Software as a Service
<b>Recommended Vendor:</b>	Imagination Station Inc., dba, Istation

<b>Cost:</b>	\$8,405,820 for 3 years
<b>Contract Term:</b>	Two (2) years plus 1 (one) year optional renewals at the discretion of the State
<b>Project Name and Number:</b>	Read to Achieve Diagnostics - 2018 DIT file # 300042

Thank you for your assistance. If additional information is required, please do not hesitate to contact me.

cc: Evaluation Committee  
Patti Bowers, DSCIO  
Glenn Poplawski, DSCIO  
Kathy Bromehead, PMA

## Table of Contents

Section 1: Introduction .....	4
Section 2: Evaluation Committee .....	4
Section 3: Evaluation Criteria / Methodology .....	5
Section 4: Timeline.....	6
Section 5: Evaluation of Bid Submission .....	6
Section 6: Vendors .....	7
A. Evaluation Criteria .....	7
B. Cost .....	7
C. Vendor Financial Stability .....	9
D. Formative and Diagnostic Assessment .....	9
E. Personalized Learning.....	11

Section 7: Finalist Vendor(s) .....	13
Section 8: Award Recommendation .....	14
Section 9: Supporting Documentation .....	14

## Section 1: Introduction

The North Carolina Department of Public Instruction posted Request for Proposal number 40-RQ20680730A to the North Carolina Interactive Purchasing System on September 6, 2018. A total of four (4) bids were received; however, the evaluation committee could not reach a consensus and deemed it most advantageous to the State to cancel and negotiate with sources of supply. NCDPI requested and received approval from the DIT DSCIO/Chief Procurement Officer to negotiate.

Request for Negotiations were sent to Amplify and Istation on March 28, 2019 and negotiation meetings were conducted on April 11, 2019 with both vendors at North Carolina Department of Public Instruction.  
DSCIO/Chief Procurement Officer

The purpose of this award recommendation and the resulting contract award is to identify a vendor best qualified to offer services for Read to Achieve Diagnostic Software as a Service solution (RtAD) to meet NCDPI's obligations under state law, N.C.G.S. 115C-83.1, *et. seq.*

North Carolina state law requires kindergarten through third grade students to be assessed with valid, reliable, formative and diagnostic reading assessments. NCDPI is obligated to adopt and provide these developmentally appropriate assessments. The solution must assess student progress, diagnose difficulties, inform instruction and remediation, and yield data that can be used with the Education Value-Added Assessment System (EVAAS).

## Section 2: Evaluation Committee

Name	Title/Agency	Participation Level
Berry, Erika	Senior Policy Advisor, NCDPI	Decision Maker
Craver, Nathan	Digital Teaching and Learning Consultant, NCDPI	Decision Maker
Karkee, Thakur	Psychometrician, NCDPI	Decision Maker
Shue, Pam	Deputy Superintendent of Early Education, NCDPI	Decision Maker
AlHour, Julien	Director - Architecture, Integration, & Quality Assurance, NCDPI	SME
Dunn, Tymica	Purchasing Section Chief, NCDPI	Procurement Officer

Gossage, Chloe	Chief Strategy Officer, NCDPI	SME
Strong, Melissa	State Board of Education Attorney	SME
Viswanathan, Sreirekha	Project Manager, NCDPI	Project Manager

---

**Role Definitions:**

Decision Maker:	Key business stakeholders evaluating the bid responses.	Voting
Project Manager:	Overall responsibility includes successful initiation, planning, design, execution, implementation, and closure of a project.	Non-Voting
Subject Matter Expert (SME)	Person who is an authority in a particular technical area pertaining to the procurement	Non-Voting

### Section 3: Evaluation Criteria / Methodology

The selection process was conducted using the “best value” methodology authorized by N.C.G.S. §§143-135.9 and 143B-1350(h). The evaluation committee met as a group and evaluated the responsive proposals.

The evaluation criteria listed below is in the order of importance:

Evaluation Criteria
Cost
Vendor Financial Stability
Formative and Diagnostic Assessment
Personalized Learning

## Section 4: Timeline

Date	Milestone
March 21, 2019	RFP Cancellation
	Notifications sent to vendors, Request to Negotiate
	Review Period
March 27, 2019	RFP proposals were extended to June 29, 2019 – Clarification 1
April 11, 2019	Negotiation Meeting with vendors
April 17, 2019	Clarification issued to vendors – Clarification 2
April 23, 2019	Clarification response received and shared with evaluation team
April 25, 2019	Evaluation Committee meeting and discussion of proposal strengths and weakness
May 3, 2019	Clarification issued to vendor – Clarification 3
	Clarification response received and shared with evaluation team
May 15, 2019	Clarification issued to vendor – Clarification 4
	Clarification response received and shared with evaluation team
June 4, 2019	Best and Final Offer (BAFO)
June 6, 2019	Award Recommendation

## Section 5: Evaluation of Bid Submission

Proposal response from the following two vendors were considered for further negotiations:

Number	Company Name	Address
1.	Amplify Education Inc.	55 Washington Street, Suite 800, Brooklyn, NY 11201
2.	Imagination Station dba, Istation	8150 North Central Expressway, Suite 2000, Dallas, TX 75206

## Section 6: Vendors

Listed below is a synopsis of each proposal submitted based on the criteria defined in Section 3.

### A. Evaluation Criteria

"Best Value" procurement method authorized by N.C.G.S. §§143-135.9 and 143B-1350(h) has been used for this evaluation. A one step source selection was used. The proposals were objectively evaluated using the evaluation criteria described below.

The evaluation team members did their due diligence and issued clarifications for each proposal before meeting the vendors on April 11, 2019. Strengths and weaknesses were discussed during the evaluation meeting on April 25, 2019.

The following evaluation criteria was used to determine strengths and weakness -

1. Cost
2. Vendor Financial Stability
3. Formative and Diagnostic Assessment
4. Personalized Learning

### B. Cost

The strengths and weaknesses identified by the Evaluation team for the responsive vendors are summarized in the tables below.

Cost		
Vendor	Strengths	Weakness
Amplify	No strengths noted.	1. Amplify submitted two cost offers - one for assessment only at \$4,312,210 (Year 1), \$3,895,210 (Year 2), \$3,883,760 (Year 3) totaling \$12,102,096.08 another

		<p>one for personalized and blended approach to learning at \$11,948,912.75 (Year 1), \$10,934,412.75 (Year 2) and \$10,922,962.75 (Year 3) totaling \$33,806,288.25. The assessment only cost which was considered for this proposal review is significantly higher than Istation's assessment only tool.</p> <ol style="list-style-type: none"> <li>2. The assessment cost of \$8.00 per student is higher than that of Istation and does not include online assessments nor remote student or parent access.</li> <li>3. This cost does not include teacher lessons.</li> <li>4. The assessment is not automated and requires teacher intervention by reading the tests aloud and takes away significant classroom time from teaching.</li> <li>5. Professional Development cost for year 1 is 556,650; however, is limited to training Master Literacy Trainers and NCDPI Consultants. The proposal response did not adequately include strategies for ensuring consistent scoring to evaluate training effectiveness.</li> </ol>
Istation	<ol style="list-style-type: none"> <li>1. Istation submitted two cost offers one for the assessment component only and one for the both the assessment and curriculum components. The cost for the assessment was \$2,751,940 (Year 1) \$2,751,940 (Year 2) \$2,751,940 (Year 3) totaling \$8,255,820. For both the assessment and curriculum was \$9,934,813 (Year 1), \$9,934,813 (Year 2), \$9,934,813 (Year 3) totaling \$29,804,438.</li> <li>2. The assessment cost of \$5.70 per student is less expensive than Amplify and includes more features such as 3,000 teacher directed lessons, remote student and parent access to Istation's iPractice.</li> </ol>	<ol style="list-style-type: none"> <li>1. Solution is not compatible with screen readers or keyboards and will cost extra to ensure compatibility.</li> </ol>



	<p>3. \$76,103 for professional development offers 22 onsite trainings, 14 recorded live webinars and 10 virtual teacher trainings annually, in addition the vendor will provide up to 5 additional onsite and 10 recorded webinars annual at no additional cost.</p> <p>4. Vendor will provide additional professional development beyond these allowances at a rate of \$5,800.00 per day of professional development and \$550.00 per webinar.</p> <p>5. The cost for Professional Development also covers the logistics which includes securing learning facilities, paying the cost to host the training, coordinating training dates, communication to participants etc.</p>	
--	--	--

### C. Vendor Financial Stability

The strengths and weaknesses identified by the Evaluation team for the responsive vendors are summarized in the tables below.

Vendor Financial Stability		
Vendor	Strengths	Weakness
Amplify	NCDPI Financial Director finds no going concern.	None
Istation	NCDPI Financial Director finds no going concern.	None

### D. Formative and Diagnostic Assessment

The strengths and weaknesses identified by the Evaluation team for the responsive vendors are summarized in the tables below.

Formative and Diagnostic Assessment		
Vendor	Strengths	Weakness
Amplify	<ol style="list-style-type: none"> <li>1. Assessment covers all five areas of early literacy which is mandated by law. The service has the capability to appropriately assess K-3 students.</li> <li>2. Amplify Service has enough item pool for 20 assessments (i.e., number of items that are aligned to NC standards which will be enough for 20 tests). It is also to be noted that Schools have three tests per grade level for this age group.</li> <li>3. The reports are easily understandable. Home Connect Letters for parents is clear. There are multiple reports for teachers about instruction and areas that need intervention.</li> </ol>	<ol style="list-style-type: none"> <li>1. Benchmarking and progress monitoring per student per grade level consumes a lot of time and requires excessive teacher involvement to manually administer and enter test results. The fixed form manual test takes more time testing to find where the students are at. This takes away significant instructional time.</li> <li>2. The \$8 option is not adaptive i.e., it does not measure student's exact level of achievement. It was difficult to gauge from the proposal response how the service adapts when students gain mastery.</li> <li>3. The fixed form tests don't always provide feedback on the student's exact level of achievement which brings to question the effectiveness of the data driven instructional support.</li> </ol>
Istation	<ol style="list-style-type: none"> <li>1. Adaptive assessment (also known as Computer Adaptive Assessment) allows students to reach their full potential. This assessment measures student's mastery with the minimal amount of teacher time.</li> <li>2. The aggregate reports for teachers are easy to read and interpret.</li> <li>3. Istation has enough item pool for 10 assessments (i.e., number of items that are aligned to NC standards which will be</li> </ol>	None

	<p>enough for 10 tests). It is also to be noted that Schools have three tests per grade level for this age group.</p>	
--	---	--

## E. Personalized Learning

The strengths and weaknesses identified by the Evaluation team for the responsive vendors are summarized in the tables below.

Personalized Learning		
Vendor	Strengths	Weakness
Amplify	<ol style="list-style-type: none"> <li>1. Personalized Learning was only offered in the Alternate Cost proposal which came with increased pricing.</li> <li>2. Progress Monitoring when a student is identified as at risk for achievement, is at individual skills level.</li> <li>3. Amplify offers a dyslexia component.</li> </ol>	<ol style="list-style-type: none"> <li>1. The basic cost proposal offered does not have all aspects of personalized learning and is not computer adaptive.</li> <li>2. Progress Monitoring for students at risk requiring intervention takes up a lot of time for teachers. The basic assessment solution option is not computer based it is takes away significant instruction time from teachers and the reliability and validity of results vary significantly.</li> <li>3. Home Reading is not included in the bid offering. This limits the ability for students to have access to resources outside of school which limits their learning and the participation from parents.</li> </ol>

Istation	<ol style="list-style-type: none"> <li>1. The assessment is computer adaptive and caters to the individual student's need.</li> <li>2. The time for assessment offered by Istation is 40 minutes/student and is fully online (i.e., teacher can work with other students in class while a group of students are taking the assessment) . Amplify's assessment is 45 minutes/student on the low end and requires teachers to spend time with the students while they are being assessed. The reduced assessment time and the fact that the teacher does not have to be with students who are being assessed (using the computerized model) allows teachers more time to support student's individual needs.</li> <li>3. Istation allows students see their own academic need and take responsibility for their learning by providing feedback after each subtest. This feedback is available to students, parents and teachers. Further students are allowed access outside of school. They can personalize their learning by choosing games and activities to further enhance their learning.</li> </ol>	<ol style="list-style-type: none"> <li>1. Although Istation stated that their assessment can be used to screen for dyslexia, the vendor does not have a separate dyslexia component at this time.</li> </ol>
----------	--	--

## Section 7: Finalist Vendor(s)

NCDPI entered into negotiations with both vendors. Each vendor was given the opportunity to present their assessment solution and how it would best meet the needs of the department.

Clarification 1 was issued to both vendors extending their RFP bid submission as the proposal response was used in the negotiation process.

Clarification 2 was issued to both vendors prior to the negotiation meeting. The question provided in this request were focal points during the meeting. This clarification request also gave the Evaluation Team some guidance and understanding with both vendor offering. After the negotiation meeting held on April 11, 2019 the team unanimously agree to continue further negotiation efforts with Istation.

Clarification 3 Istation was asked by NCDPI to provide the cost of both the assessment and curriculum. This request was to compare the Alternative Cost proposal 2 submitted by Amplify which included the curriculum portion. After reviewing Istation's submission the team agreed to go with only the assessment portion which is required in legislation. While there was in interest in the curriculum offering it is not required in the law.

Clarification 4 was issued to negotiation on the Terms of Use and Privacy policy that Istation has in place. NCDPI's legal team negotiated the language that was provided by Istation. Istation was in agreement and signed the clarification giving the department permission to incorporate in in the final contract offering.

While Amplify was able to submit an offer to satisfy the agencies needs it was not cost effective. As the incumbent the progress made by students in reading is not significant. The effectiveness of the data driven instructional support is questionable. The current test scores does not support the inflated cost offered by Amplify.

Istation provided a solution that was robust, cost effective, offered additional enhancements that were required, and met the business needs of NCDPI. While Istation's dyslexia component may be missing key measures, the service substantially conforms to the requirements specified under N.C.G.S. 115C-83.1, which is the primary obligation of this procurement.

Negotiations were issued to Istation and memorialized in the BAFO # 40-20680730A dated June 4, 2019 in which Istation agreed to the following change in specifications: ADA Compliance high contrast reports, Voice Recognition Software, Onsite Training and

Recorded Webinars, Growth Calculation, Summer Reading Camps, Customizations and Enhancements, BAFO Cost, as well as modifications to the Istation Terms of Use and Privacy Policy which comprise the License grant and agreement for the State's use of the Istation Resources.

Istation also completed the Vendor Security Assessment Guide (VRAR) that was reviewed and approved by NCDPI and DIT technical teams.

## Section 8: Award Recommendation

The Evaluation Committee has determined that Istation's bid substantially conforms to the specifications and requirements of the law and therefore, recommends award RFP No. 40-RQ20680730A to Imagination Station Inc. (Istation) in the amount of \$8,405,820 (Year 1 - \$2,751,940, Year 2 - \$2,751,940, Year 3 - \$2,751,940) for 2 years with the option of one (1) additional one (1) year renewals.

## Section 9: Supporting Documentation

The following supporting documents that reflect the vendor selection are included:

1. Bid Response -
2. Clarification documents –
3. Signed BAFO document
4. Hosting Exception and Privacy and Threshold Analysis (approved by DIT)