



February 23, 2015

Hon. Letitia James  
Public Advocate for the City of New York  
1 Centre Street, Floor 15 North  
New York, NY 10007

Hon. Daniel Dromm  
Chair, Committee on Education  
New York City Council, Suite 1826  
250 Broadway  
New York, NY 10007

Ms. Leonie Haimson  
Executive Director  
Class Size Matters  
124 Waverly Place  
New York City, NY 10011

Dear Public Advocate James, Chair Dromm, and Ms. Haimson:

We were forwarded a copy of the letter you sent to Panel for Educational Policy (PEP) members, Ms. Vanessa Leung and Mr. Robert Powell, regarding an IT contract that the PEP will be asked to approve at its meeting on February 25, 2015. In that letter, you raise concerns regarding the transparency of our contracting process and, in particular, the Department of Education's (DOE) failure to share information with sufficient lead times both for the public and PEP members themselves. While our current practices are both compliant with applicable legal requirements and consistent with past practice, we are reviewing these practices with an eye toward making relevant information available earlier.

The specific contract in question is important for our schools in that it provides for the information technology networking hardware and installation services we need to ensure that our schools take full advantage of the latest technology, security updates, and internet services. Our schools will see significant and tangible benefits from this contract, and we expect that Federal reimbursements will defray over \$100 million of its cost.

Moreover, the actual procurement process was conducted in full compliance with both DOE and Federal procurement requirements; a copy of the Request for Bids accompanies this letter. In particular, the procurement was publicly advertised, bid documents (including our requirements and specifications) were available for nearly two months before bids were due, and the bids were opened publicly.<sup>1</sup> While there is only one proposed awardee, we invited separate bids for each borough, and were fully prepared to award separate contracts for each borough if that proved to be advantageous. We received four bids for each of the five boroughs. These bids were carefully reviewed by DOE staff members to ensure that the

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<sup>1</sup> The dates that appear on the cover page of the RFB do not reflect the final dates for the steps in the procurement process. We advanced the date of the pre-bidders conference to December 1, 2014, in order to ensure that we had sufficient time to respond to questions from proposed bidders. We extended the date for submission of bids to January 12, 2015, in response to requests for additional time to prepare bid responses.



pricing was competitive and cost-effective and that the selected vendor(s) would be fully capable of providing products and services that meet our requirements.

With that said, please note that we shared preliminary information on the proposed contract before we completed negotiations on price. Since then, however, we have successfully negotiated an over 40% reduction from the contract's initial estimated cost. The estimated annual amount of the contract is \$127.5 million, and the total amount over five years is \$637.4 million. With E-Rate funds, the total amount will drop to about \$515 million. Even when not taking the E-Rate discount into account, the contract's estimated total is slightly lower than what DOE currently pays for these services.

I hope this information has been helpful. Thank you for your inquiry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ursulina Ramirez', with a long vertical stroke extending upwards from the end of the signature.

Ursulina Ramirez  
Chief of Staff

UR:dr

Encl: DOE Bid Document

- C: Vanessa Leung, Chair, PEP
- Robert Powell, Chair, PEP Contracts Committee
- Fred Baptiste, PEP Member
- Isaac Carmignani, PEP Member
- T. Elzora Cleveland, PEP Member
- Deborah Dillingham, PEP Member
- Norm Fruchter, PEP Member
- Kamillah Payne-Hanks, PEP Member
- Lori Podvesker, PEP Member
- Roberto Soto-Carrión, PEP Member
- Laura Zingmond, PEP Member
- D. Miguelina Zorrilla-Aristy, PEP Member