

TATE OF TEXAS §
COUNTY OF TRAVIS §

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|------------------|-----------------------------|--------------------------|--------------------|
| Division Number: | | Program Name: | Student Assessment |
| Org. Code: | 212 | Legal/Funding Authority: | |
| Speed Chart: | multiple | | |
| Payee Name: | Educational Testing Service | Payee ID: | 1210634479 |
| ISAS Contract #: | 3317 | PO #: | |

Amendment No. 3

**AMENDMENT TO
STANDARD CONTRACT
BETWEEN
TEXAS EDUCATION AGENCY
AND
EDUCATIONAL TESTING SERVICE**

a nonprofit, nonstick educational corporation organized and existing under the Education Law of the State of New York, with principal offices located at 660 Rosedale Road, Princeton, NJ 08541.

CONTRACTOR

It is mutually understood and agreed by and between the undersigned contracting parties of the above numbered contract to amend said Contract effective May 1, 2017, as follows:

ARTICLE III. PURPOSE OF AMENDMENT

This Amendment 3 to the Student Assessment Contract #3317, replaces in its entirety the SLA executed in Contract #3317 on August 26, 2015, Exhibit E, and replaces Commissioner Mike Morath's August 22, 2016, letter to Vice President John Oswald at ETS.

This Amendment 3 outlines the requirements for ETS (the "Contractor") to deliver timely and high quality products and services to the Texas Education Agency (TEA). TEA may assess liquidated damages for ETS's failure to meet these requirements based on Exhibit A, attached hereto and hereby incorporated within this Contract.

ARTICLE IV. PAYMENT UNDER CONTRACT

This is a no cost amendment.

Contract Amount \$280,344,023.00

Amendment Amount \$ -0-

Contract Total \$280,344,023.00

Texas Government Code §572.069. CERTAIN EMPLOYMENT FOR FORMER STATE OFFICER OR EMPLOYEE RESTRICTED. A former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving a person may not accept employment from that person before the second anniversary of the date the officer's or employee's service or employment with the state agency ceased.

All other terms and conditions of the original contract and amendments remain the same and are incorporated herein as if specifically written.

It is agreed and accepted by a person authorized to bind Contractor that all Terms and Conditions of this Amendment are effective commencing on the above date.

Typed Name: Diane Bailey

Typed Title: owner

VP K12 Student Assessment Programs



Authorized Signature


This section reserved for Agency use.

I, an authorized official of Agency, hereby certify that this contract is in compliance with the authorizing program statute and applicable regulations and authorize the services to be performed as written above.

AGREED and accepted on behalf of Agency this 25 day of May 2017 (month/year) by a person authorized to bind Agency.

Return electronic copy to:

TEAContracts@tea.texas.gov

Or by mail to:

Norma Barrera, Purchasing and Contracts
Texas Education Agency
1701 North Congress Avenue, Room 2-125
Austin, Texas 78701-1494



Mike Morath, Commissioner of Education

Amendment 3 to Student Assessment Contract #3317

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Attachment A

Attachment B

I. Introduction

This Amendment 3 to the Student Assessment Contract #3317, replaces in its entirety the SLA executed with Contract #3317 on August 26, 2015, Exhibit E, and replaces Commissioner Mike Morath's August 22, 2016, letter to Vice President John Oswald at ETS.

II. Amendment 3

This Amendment 3 outlines the requirements for ETS (the "Contractor") to deliver timely and high-quality products and services to the Texas Education Agency (TEA). TEA may assess liquidated damages for ETS's failure to meet these requirements. There are different calculations for liquidated damages for each category of deliverables. The total liquidated damages assessed is the sum of the liquidated damages across all ten categories with the stipulation that total liquidated damages for a contract year may not exceed 10% of the contract value for that contract year, except for damages related to the inability to issue accountability ratings (accurate Consolidated Accountability File [CAF]). Damages resulting from an inaccurate CAF are not subject to the 10% cap and will be calculated per Section F. Contract value per contract year is defined within contract Exhibit D "Pricing" proposal and any applicable amendments (approved or in progress) in cases where the scope of work has been modified. Many of the timeframes described herein, are dependent on the calendar of events provided by TEA on or before July 1, of each year.

Service performance will be measured for compliance by Contractor in accordance with applicable pre-determined measures. Each category has agreed-upon criteria that permits Contractor to measure performance objectively. Timely resolution of any liquidated damages for each contract year is essential because the requirements as defined are bound to annual test administrations.

For all of the categories, liquidated damages shall not be assessed to the extent any late delivery or untimely performance is caused by, or contributed to by, the acts or failure to act by TEA or a third party outside the control of Contractor as determined by mutual agreement of Contractor and TEA and supported by clear documentation.

A. Assessment Development

1. General Requirement

Contractor is required to use its best, commercially reasonable efforts to develop test items according to TEA-approved test blueprints and to procure all rights and permissions necessary for TEA to administer the test without liability for copyright infringement. All work under this category must be of high quality, acceptable to TEA, and provided for review on the mutually-agreed upon schedule. Contractor and TEA agree that the quality of deliverables is of paramount importance. In the event that Contractor believes a particular deliverable will be submitted later than specified in the agreed upon schedule, in order to achieve the desired quality, and the schedule can be adjusted to keep the same flow of reviews coming to TEA (e.g., State of Texas Assessments of Academic Readiness [STAAR] grade 8 mathematics items need more work than expected, but Contractor delivers STAAR Algebra I items early), TEA will consider schedule adjustments that will supersede the original schedule and the liquidated damage will be calculated against the most recent agreement.

2. Liquidated Damages

For each contract year (school year), Contractor will provide newly developed test items by the date indicated in Attachment A. At the indicated date, Contractor will also use an "Compliance Report" to document an overall measurement of quality (i.e., content accuracy, adherence to item specifications and any associated style guides) and verification that all required item development procedures were followed. Following Contractor's delivery of each Compliance Report and set of items listed in Attachment A, TEA will have 10 business days to review and accept the services. Liquidated damages, if any, would be applied for the weighted score based on quality and timeliness as follows:

| Weighted Score | Liquidated Damages |
|---|--------------------|
| Satisfactory | None |
| Mostly Satisfactory – Missing the delivery date by 1 to 5 business days and/or 1 to 3 clear Contractor content errors needing remediation | \$10,000 |
| Mostly Unsatisfactory – Missing the delivery date by 6 to 10 business days and/or more than 3 clear Contractor content errors needing remediation | \$50,000 |
| Unsatisfactory – Missing the delivery date by more than 10 business days and/or more than 5 clear Contractor content errors needing remediation | \$100,000 |

NOTE: "Late" applies to original delivery only. If an error or errors cause a redelivery, the liquidated damage would be calculated based on the number of errors in the deliverable.

Example: Contractor delivers test items two days late and three errors are identified. Contractor would pay damages of \$10,000 in this case.

B. Test Forms and Ancillary Documents

1. General Requirement

Contractor is required to use its best, commercially reasonable efforts to produce forms and documents based on mutually agreed-upon requirements for both paper and online test administrations, and to submit documents to TEA for review and approval on a mutually agreed-upon project schedule. The list of deliverables and associated Contractor delivery dates will be developed annually by Contractor in collaboration with TEA, and documented in the Production Status Report (PSR). A deliverable for this section is defined as one test form or ancillary document. Individual items appearing in more than one test (e.g., spiraled across forms) do not count as separate deliverables.

2. Liquidated Damages

For each submission by Contractor for TEA review and/or approval listed in the PSR, TEA will have a fixed number of business days to review, approve and/or reject for additional edits. The fixed term is specified in the mutually agreed-upon project schedule. For each business day beyond the review and/or approval window that TEA takes for its review needs on an individual deliverable, Contractor will have the same number of additional business days for completing the deliverable.

Liquidated damages are calculated for each item in the PSR requiring TEA approval and then averaged across all deliverables by adding the dollar amounts of liquidated damages in the table for each deliverable and dividing by the total number of deliverables for the contract year. The PSR can be found in Attachment B. For purposes of calculating liquidated damages, "late" is defined as test forms and ancillary documents not submitted in satisfactory condition to TEA for review by the scheduled date in the PSR. Contractor may provide deliverables early when possible to offset any that are sent late, providing that the workflow for TEA is unaffected and TEA is informed and agrees to the changes. Therefore, the calculation of "late" for this section will be the net effect for all these deliverables across the contract year.

| Business Days Late | Liquidated Damages |
|------------------------------------|---------------------------|
| 0 | None |
| 1 st day | \$10,000 |
| 2 nd day | \$15,000 |
| 3 rd day | \$20,000 |
| 4 th day | \$25,000 |
| 5 th day | \$30,000 |
| 6 th day | \$35,000 |
| 7 th and following days | \$50,000 per day |

Example 1: Out of 50 deliverables submitted over the course of the contract year, 45 were on time and satisfactory, 3 were one day late, 1 was four days late, and 1 was ten days late. Liquidated damages are calculated as:

45 X \$0

3 X \$10,000 = \$30,000

1 X \$70,000 (sum of liquidated damages for 1st day, 2nd day, 3rd day and 4th day) = \$70,000

1 X \$335,000 (sum of liquidated damages for 1st day through 6th day, plus four days at \$50,000) = \$335,000.

Sum of above specific liquidated damages by item = \$30,000 + \$70,000 + \$335,000 = \$435,000

Divide sum by number of deliverables (50) = \$8,700, liquidated damages for Item B.

C. Assessment Technology and Online Administration

1. General Requirement

Contractor is required to provide access for students to log in and/or begin taking any test available through Contractor's online testing system during regularly scheduled school hours and within established testing windows, which TEA will provide in writing to Contractor annually as part of the calendar of events. Changes to the calendar of events must be mutually agreed upon in order for revised testing dates to be covered under this Amendment. Neither TEA nor Contractor will unduly withhold agreement for reasonable changes. A system is defined as the full set of functionality and data provided to the user under a given login. The systems applicable to this amendment section are the STAAR Assessment Management System and Contractor's test delivery engine (STAAR Online Testing Platform). Contractor shall also provide access for designated school personnel to perform administrative functions within the online testing system and the assessment management system. Contractor shall not be held liable for service interruptions due to issues caused or contributed to by any acts or omission of a district or a third party, including but not limited to a district's technology infrastructure or a district's lack of implementation of provided procedures for online testing.

Beginning with the December 2017 test administration cycle, Contractor will perform the necessary checks and provide readiness documentation (i.e., the Online Testing Support Plan) that the test delivery system is fully functional for each administration five business days before the administration window opens, and the STAAR Assessment Management System is fully functional five business days before the system opening dates indicated on the agreed upon Calendar of Events. Contractor will provide readiness documentation for test administration cycles five business days before the system opening prior to December 2017, but is unable to commit to readiness five business days prior to launch due to the numerous improvements described in Section J of this amendment. In addition, Contractor will provide TEA with an annual summary document describing assessment technology and online administration performance across the contract year. This summary document will be provided to TEA on the same day as the final Technical Digest. System readiness is defined as an availability of 99.9% as defined in the Work Plan at an individual level, exclusive of mutually agreed upon scheduled maintenance.

The system is also expected to perform as designed so that the tests are delivered to students without performance defects. That is, all questions and directions are displayed as agreed upon by TEA and Contractor, and all student responses are captured and transmitted completely and accurately. Any

instances of reported defects will be fully investigated and confirmed defects will be cataloged, shared with TEA, and used to calculate liquidated damages as specified below.

2. Liquidated damages

Liquidated damages, if any, would be applied as follows:

| Interruption | Liquidated Damages |
|--|---|
| During the testing window – interruption of the online testing system that impacts more than 10,000 students and is between 10 minutes and 1 hour per occurrence, including a combination of interruptions of less than 10 minutes each that add up to a total of more than 10 minutes and less than 1 hour (e.g., 5 interruptions of 5 minutes each). | \$10,000 per occurrence |
| During the testing window – statewide interruption of the online testing system that impacts more than 10,000 students and is longer than 1 hour, including a combination of interruptions of less than 10 minutes each that add up to a total of more than 1 hour (e.g., 13 interruptions of 5 minutes each). | \$10,000 per additional hour not to exceed \$50,000 in one day |
| Outside the testing window – statewide interruptions experienced in the assessment management system– more than 1 business day. | \$5,000 per day |
| During the testing window from March through May – statewide interruptions experienced in the assessment management system 2 or more hours. | \$10,000 per full hour of interrupted service |
| Failure to provide the administration readiness documentation 5 days before the testing window opens. | \$5,000 per day |
| Testing Experience | |
| During the testing window, test or directions appear incorrectly or student responses are not captured or transmitted accurately. | \$1,000 per occurrence, regardless of number of students affected |

D. Outbound Shipping that Impacts Testing

1. General Requirement

Contractor is required to deliver high quality, error-free materials to districts within the date range published in the calendar of events.

2. Liquidated damages

Liquidated damages would be calculated based on the statewide percentage of students impacted and number of business days required to remediate any outbound shipping issues. For purposes of

calculating liquidated damages, “late” is defined as complete, correct materials not being in the district by the last date in the range published. “Complete, correct materials” are defined as the materials that are required to test the students. If incomplete shipments or incorrect materials do not have an effect on the district’s ability to test during the published testing windows, there would be no liquidated damages. This applies to both initial and supplemental material orders and in both cases, to orders correctly submitted by the published dates. Orders received after the published ordering dates will be fulfilled using Contractor’s best, commercially reasonable efforts. These “late” orders will be excluded from the calculation. The liquidated damage for late deliverables by the percentage of impacted students across the state will be applied as follows:

| Percentage of Students Impacted & Business Days Late Numerator – number of students Denominator – total statewide student population for the particular administration* | Liquidated Damages |
|---|--------------------|
| 0% impacted and/or 0 days late | None |
| >0% to 2% impacted and/or 1–2 days late | \$5,000 |
| >2% to 5% impacted and/or 3–4 days late | \$10,000 |
| >5% to 10% impacted and/or 5–6 days late | \$25,000 |
| >10% to 15% impacted and/or 7–8 days late | \$50,000 |
| >15% to 25% impacted and/or 9–10 days late | \$75,000 |
| >25% to 35% impacted and/or 11–12 days late | \$100,000 |
| >35% to 50% impacted and/or 13–14 days late | \$125,000 |
| >50% to 100% impacted and/or over 14 days late | \$150,000 |

* The particular administration represents the March grades 5 and 8 mathematics and reading, May grades 3–8, or May end-of-course (EOC) administration.

If a scenario occurs that does not fall completely within one of the rows in the table above, the damages applied will be in TEA’s favor.

Example: 3-5% of students are impacted statewide, and the issue is not resolved for six business days. Contractor would pay damages of \$25,000 in this case.

E. Scoring and Reporting

1. General Requirement

For scoreable materials received by Contractor by a mutually agreed upon date, Contractor will process those materials and provide score reports according to the dates provided in the Calendar of Events. Contractor will be held responsible if materials are received by Contractor by the mutually agreed upon date but score reports are provided after the dates provided in the Calendar of Events. Contractor will not be held responsible for materials that are received after the mutually agreed upon date or not received due to negligence or error on the part of districts. Contractor will check scoreable materials upon receipt and contact districts to facilitate the greatest number of districts processed accurately for scoring and reporting purposes. Activities required to provide accurate scores include:

1. Quality control checks of the data set through the ZZ Cruse file, which allows Contractor and TEA to work collaboratively to make sure scoring rules are applied correctly and the report output is as expected,
2. Quality checks to make sure the appropriate student record files are posted on time and are visible to the appropriate district and TEA staff,
3. Correct attribution of student records to the appropriate district and/or campus based on the latest information provided by districts or TEA to Contractor,
4. Correct application of scoring keys (machine or hand scored) for both online and paper forms,
5. Adherence to scoring procedures for constructed response items,
6. Correct application of the scoring rules when producing the student score reports, and
7. Adherence to a 20 business days turnaround time in fulfilling any district request for rescore service. Any exception to the turnaround time must be approved by both TEA and Contractor in writing.

2. Liquidated Damages

Liquidated damages would be assessed separately for each test administration occurring over the course of the contract year for both late reports and inaccurate reports. For late reports, liquidated damages will be calculated based on the percentage of students that receive late score reports and the number of business days necessary to remediate the issue. For purposes of calculating liquidated damages, "late" is defined as an accurate electronic report or file not provided to districts by the due date in the calendar of events. The liquidated damage for late deliverables will be applied as follows:

| Percentage of Students Impacted & Business Days Late Numerator – number of students Denominator – total statewide student population for the particular administration* | Liquidated Damages |
|--|-----------------------|
| 0% impacted and/or 0 days late | None |
| >0% to 2% impacted and/or 1–2 days late | \$5,000 |
| >2% to 5% impacted and/or 3–4 days late | \$10,000 |
| >5% to 10% impacted and/or 5–6 days late | \$25,000 |
| >10% to 15% impacted and/or 7–8 days late | \$50,000 |
| >15% to 25% impacted and/or 9–10 days late | \$75,000 |
| >25% to 35% impacted and/or 11–12 days late | \$100,000 |
| >35% to 50% impacted and/or 13–14 days late | \$125,000 |
| >50% to 100% impacted and/or over 14 days late | \$150,000 |

* The particular administration represents the March grades 5 and 8 mathematics and reading, May grades 3–8, or May end-of-course (EOC) administration.

If a scenario occurs that does not fall completely within one of the rows in the table above, the damages applied will be in TEA's favor.

Example: Districts receive electronic files late that represent 3–5% of students statewide, and the issue is not resolved for six business days. ETS would pay damages of \$25,000 in this case.

For inaccurate reports, regardless of timeliness, liquidated damages would be assessed at \$50 for each student's report that contains incorrect information due to a violation of activities 4-6 above. If the incorrect information is due to another type of error out of Contractor's control (e.g., an incorrect student attribution to a district or campus due to a district error) no liquidated damages would be assessed.

F. Consolidated Accountability Files

1. General Requirement

Contractor will create the Consolidated Accountability File (CAF) that will be used by TEA's Performance Reporting Division. Student-level data from the STAAR, STAAR Alternate 2, and the Texas English Language Proficiency Assessment System (TELPAS) assessments are used in both state and federal accountability. Following the spring administration of the grades 3–8 and end-of-course (EOC) assessments, Contractor will provide districts, Education Service Centers (ESCs) and TEA with an unduplicated student-level data file that serves as the sole source for the assessment results used for the state and federal accountability systems. These files will combine the results of all assessments taken by each student to determine a final overall status at each student performance standard, including the final status based on a reported growth measure by subject area. These results should

include the student's final status after the first and second administrations of the STAAR grades 5 and 8 mathematics and reading assessments.

A preliminary version of the CAF must first be made available to TEA annually by a mutually agreed-upon date (e.g., June 25, 2017,) in order to incorporate the STAAR 3–8 student data. Following this event, a final TEA state file will be provided by a mutually agreed-upon date (e.g., July 16, 2017). The final CAF produced for districts and ESCs will be provided after TEA Performance Reporting division's approval approximately three weeks after the final state file on a mutually agreed-upon date.

To develop the overall CAF, Contractor will work iteratively with TEA according to an agreed-upon timeline where preliminary data sets will be reviewed by the Performance Reporting Division or other TEA designee to make sure that the data and calculations are applied correctly ahead of the final CAF production. Final requirements for the CAF will be provided to Contractor by a mutually agreed-upon date so Contractor can produce the final CAF on time.

2. Liquidated damages

Liquidated damages are calculated for each business day that accurate final state-level and district/ESC CAFs are delayed. For purposes of calculating liquidated damages, "late" is defined as the accurate final state-level CAF not provided to districts, ESCs, and TEA by the mutually agreed upon date(s). For the purpose of calculating liquidated damages, "accurate" is defined as 99.9% correct where the numerator is the number of student records with no errors caused by Contractor (e.g., introduced by Contractor, Contractor did not implement mutually agreed upon procedures for correcting known district errors), and the denominator is the total number of student records.

| Business Days Late | Liquidated Damages |
|------------------------------------|--------------------|
| 0 | None |
| 1 st day | \$5000 |
| 2 nd day | \$10,000 |
| 3 rd day | \$20,000 |
| 4 th day | \$40,000 |
| 5 th day | \$80,000 |
| 6 th and following days | \$100,000 per day |

G. Customer Service

1. General Requirement

Contractor shall provide toll-free telephone support (call center) to districts and campuses throughout the school year. This call center must operate during regular business hours (Monday-Friday 8:00 a.m.-5:00 p.m. (CT)) year round with extended hours (Monday–Friday, 7:00 a.m.–7:00 p.m. (CT)) one week prior to and during the full test administration windows to provide assistance to school districts as needed with last-minute shipments of test materials and to provide test administration and materials return support. Contractor must provide adequate toll-free telephone capacity. Contractor shall provide an annual report to TEA analyzing use of customer support services. Contractor must notify TEA of any functional or technical issues that resulted in a direct or indirect impact to the test administration. This applies to the STAAR Assessment Management System, STAAR Online Testing Platform, and any customer service system or process.

Contractor must provide adequate resolution and assistance to districts within 30 business days from determining report received by telephone or email is categorized as an issue that cannot be resolved with an agent during the initial customer support experience (e.g., PEIMS corrections, test history merges). Within three business days of first receiving the call, Contractor will provide the customer with an initial update of status and expected time to resolve the issue and commit to regular intervals of communication of at least weekly during the 30 business-day resolution window.

For Tier 1 and 2 support, Contractor is committed to answering an average of 75% of calls within 60 seconds during any month prior to and during full test administration windows. Average hold time each month will not exceed 6 minutes. Contractor will respond to an average of 80% of email inquiries each month within 1 business day and 100% within 2 business days.

2. Liquidated Damages

| Liquidated damages would be applied to the aggregated percentage of total inquiries (calls, emails and issues resolution) per month where Contractor does not meet the SLAs stated above. Percentage of Total Inquiries (calculated separately then aggregated: Call answer time, call hold time, emails answered in 1 business day, emails answered in 2 business days, and issues resolved in 30 business days) Per Month Not Handled as Required | Liquidated Damages |
|---|--------------------|
| 0%-5% | None |
| >5%-14% | \$10,000 |
| >14%-24% | \$20,000 |
| >24%-34% | \$30,000 |
| >34%-44% | \$40,000 |
| >44%-54% | \$50,000 |
| >54%-64% | \$60,000 |
| >64%-74% | \$70,000 |
| >74%-84% | \$80,000 |
| >84%-94% | \$90,000 |
| >94% - 100% | \$100,000 |

Example 1: In December, Contractor answers 75% of calls within 60 seconds with an average hold time less than six minutes, but responds to only 70% of the email inquiries within one business day (a 10% miss) and 90% within two business days (a 10% miss). In addition, there are no categorized issues needing to be resolved within 30 business days that are due to be completed during this month. In aggregate, this equates to a 20% SLA miss. Therefore, Contractor would pay \$20,000.

Example 2: In January, Contractor resolves only 90% of the categorized issues within 30 business days that are due to be completed during this month (a 10% miss), answers 55% of calls within 60 seconds (a 20% miss) and responds to 70% of email inquiries within one business day and 100% within two business days (a 10% miss). In aggregate, this equates to a 40% SLA miss. Therefore Contractor would pay \$40,000.

H. Security

1. General Requirements

Contractor understands and agrees that security and proprietary use of test items and forms is of paramount concern and must be maintained at all times. Contractor also understands and agrees that security of student-level data must be ensured and a security standard such as ISO 27001 must be adhered to and enforced wherever applicable. For the purposes of this amendment, a breach is defined as confirmed: 1) intentional or unintentional mishandling of confidential student data that results in unauthorized users receiving or obtaining access that would require notification under Texas law, or 2) mishandling of secure test content in a manner that poses a threat to the validity of any STAAR assessment. "Confidential student data" is defined as student information that is both secure and personally identifiable.

2. Liquidated Damages

Liquidated damages related to the security of test content and confidential student data would be calculated as follows.

- a. For each breach of test content (i.e., test items) resulting from any failure or negligence on the part of Contractor, liquidated damages would be calculated per the table below.

| Secure Test Item Breach | Liquidated Damages |
|---|--------------------|
| None | None |
| Not Severe – A number of secure items* equivalent to 50% or less of one form of the test title exposed (e.g., an operational STAAR grade 4 mathematics test contains 40 items, so an exposure of 1-20 grade 4 mathematics items). | \$10,000 |
| Severe - A number of secure items equivalent to between 51% of one form and two forms of the test title exposed (e.g., an operational STAAR grade 4 mathematics test contains 40 items, so an exposure of 21-80 grade 4 mathematics items). | \$50,000 |
| Extremely Severe - A number of secure items equivalent to more than two forms of the test title exposed (e.g., an operational STAAR grade 4 mathematics test contains 40 items, so an exposure of 81 or more grade 4 mathematics items). | \$100,000 |

*Damages will be assessed once per breached item, regardless of whether or not it appears on multiple forms (e.g., if one item is breached but spiraled and appears on five forms, it still counts as one item).

- b. If a breach of confidential student data occurs due to failure or negligence on the part of Contractor, including transmittal via an unsecure method (e.g., email), a sum of \$10 (Ten US Dollars) per compromised student record would be assessed to Contractor as liquidated damages.
- c. If TEA and ETS mutually agree that Contractor-caused test item breaches are so severe that student scores are invalidated statewide, there will be an additional \$500,000 assessed as liquidated damages.

I. Program Improvements

1. General Requirement

Contractor is expected to implement the improvements in the chart below by December 31, 2017. Contractor will notify TEA as these items are completed and provide documentation for TEA to review as part of Contractor's regularly scheduled updates following each test administration window. TEA will acknowledge receipt of Contractor's documentation and provide acceptance of the improvement within 30 business days. If confirmation is not received within 30 business days, the improvement will be considered satisfactory. The first documentation will be provided to TEA on March 1, 2017. This documentation will be updated on a monthly basis and sent to TEA for review and approval until all improvements are completed in December 2017.

| Category | No. | Process Improvements |
|------------------------|-----|---|
| Assessment Development | 1 | Modify the process to generate statistics in a structure that supports current TEA requirements. |
| | 2 | Provide item bank access to TEA staff to perform test assembly without ETS intervention. |
| Enrollment | 3 | Student transfers into district: Allow for a receiving district to enroll a student without first contacting the sending district. New functionality should preserve personal information protection of students while simplifying the transfer process for receiving districts. Provide training for districts on new functionality. |
| Inbound Shipping | 4 | Answer Document Packing List (ADPL): Integrate the ADPL into return shipment processes to check material counts and provide early warning to districts of irregularities. |
| | 5 | Redesign the return shipping process to be district-centered rather than the current campus-centered packaging and return process. Change reconciliation of returns to reflect this change. |
| Online Testing | 6 | Text to Speech functionality: Replace the current browser-dependent functionality with a uniform application that works for all allowable web browsers. |
| | 7 | Provide an online testing dashboard at the district level to monitor the status of students testing online at the district level. |
| | 8 | Modify standard online testing tools to meet evolving requirements (e.g., Texas-specific, grid items). |
| | 9 | Improve the process for newly enrolled or transferred students so testing coordinators know when test tickets are ready rather than being required to wait a specified amount of time. |
| Outbound Shipping | 10 | Institute web-accessible order tracking that provides districts greater visibility into the status of shipments. |
| | 11 | Redesign outbound shipping to preserve sequencing of serial numbers for test booklets whenever applicable. |
| | 12 | Allow participation counts to be uploaded via a district-level file. |
| | 13 | Update the algorithm used to create orders for manuals (DCCM and TAMs) to provide quantities that are more appropriate. |

| Category | No. | Process Improvements |
|------------------------------------|-----|---|
| Outbound Shipping | 14 | Display a starting number for participation count collection based on either the previous year's administration or the expected number of re-testers, depending on the administration. |
| Pre-code | 15 | Provide safeguards to prevent pre-coded data from overwriting prior administration data for a current school year. Provide communication to districts to indicate which schools do not have pre-ID information. Allow for bulk deletion of records. |
| | 16 | Provide a pre-code verification roster to districts to review their pre-code data and counts prior to ETS printing the documents. |
| Scoring and Reporting | 17 | Redesign and improve rescore automation functionality where applicable based on mutually agreeable requirements. |
| | 18 | Provide districts functionality to disseminate campus-level reports and CSRs. |
| STAAR Assessment Management System | 19 | Improve Support Center communications to districts regarding new functionality and procedures. |
| | 20 | Establish a practice/training environment for districts to learn system functionality. |
| | 21 | Modify user interface so that every time you show a campus, it shows the district and region to which it belongs. |

2. Liquidated Damages

For each numbered process improvement not completed by December 31, 2017, Contractor would be assessed a liquidated damage of \$100,000.

J. Media Policy

Only designated Contractor staff are allowed (with advance TEA approval) to communicate with media. Once draft messaging on an issue is approved by TEA, the designated Contractor staff may respond to additional media inquiries on the subject and then inform TEA communications staff of every contact.

Contractor may not comment specifically or generally on any aspect of TEA business, policies, decisions, or actions without TEA approval.

Contractor project director or designated staff will immediately contact TEA about media requests for general program information or any requests for information regarding TEA. TEA staff will contact the agency's Public Information Officer who will respond. Contractor staff will not speak on behalf of TEA at any time, for any reason, unless expressly directed to do so by TEA.

Attachment A – Schedule of Deliverables for New Items (Updated Annually)

NOTE: The schedule includes new item development for the 2016–2017 contract year. Grades and subjects not included in the schedule had new item development completed in the 2015–2016 contract year.

| New Item Deliverables | Scheduled Date for Contractor Delivery (Items and SLA Compliance Report) |
|---|---|
| STAAR Grade 3 Mathematics | Jul 03, 2017 |
| STAAR Grade 4 Mathematics | Jul 31, 2017 |
| STAAR Grade 5 Mathematics | Aug 07, 2017 |
| STAAR Grade 6 Mathematics | Aug 17, 2017 |
| STAAR Grade 7 Mathematics | Aug 28, 2017 |
| STAAR Grade 8 Mathematics | Jul 14, 2017 |
| STAAR Algebra I | Aug 14, 2017 |
| STAAR Grade 5 Science | Jul 24, 2017 |
| STAAR Grade 8 Science | Jul 27, 2017 |
| STAAR Biology | Aug 14, 2017 |
| STAAR Grade 3 Reading | Jul 27, 2017 |
| STAAR Grade 4 Reading | Aug 14, 2017 |
| STAAR Grade 5 Reading | Jun 30, 2017 |
| STAAR Grade 6 Reading | Aug 24, 2017 |
| STAAR Grade 7 Reading | Aug 21, 2017 |
| STAAR Grade 8 Reading | Aug 04, 2017 |
| STAAR English I Reading | Sep 25, 2017 |
| STAAR English I Writing | Aug 18, 2017 |
| STAAR English II Reading | Oct 02, 2017 |
| STAAR English II Writing | Sep 15, 2017 |
| STAAR Grade 8 Social Studies | Aug 07, 2017 |
| STAAR U.S. History | Aug 21, 2017 |
| STAAR Spanish Grade 3 Mathematics | Nov 22, 2017 |
| STAAR Spanish Grade 4 Mathematics | Nov 27, 2017 |
| STAAR Spanish Grade 5 Mathematics (1st Admin) | Oct 23, 2017 |
| STAAR Spanish Grade 5 Mathematics (Retest) | Dec 12, 2017 |
| STAAR Spanish Grade 5 Science | Nov 21, 2017 |

| New Item Deliverables | Scheduled Date for Contractor Delivery (Items and SLA Compliance Report) |
|-------------------------------|---|
| STAAR Spanish Grade 3 Reading | Aug 24, 2017 |
| STAAR Spanish Grade 4 Reading | Sep 22, 2017 |
| STAAR Spanish Grade 5 Reading | May 23, 2017 |

Attachment B – Production Status Report (PSR) (Updated Annually)



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to TEA V2 W-Edits.>