



REPORT TO COUNCIL

City of Sacramento

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CONSENT

June 17, 2008

Honorable Mayor and
Members of the City Council

Title: Purchase/Contracts: Suspension of Competitive Bidding for START Educational Materials – Two-Thirds Vote Required

Location/Council District: Citywide

Recommendation: Adopt a **Resolution 1)** suspending competitive bidding as in the best interests of the City; **2)** authorizing the City Manager or City Manager's designee to execute a contract with ETA/Cuisenaire for the purchase of educational materials in an amount not to exceed \$901,930; **3)** authorizing the City Manager or City Manager's designee to execute a contract with Nystrom for the purchase of educational materials in an amount not to exceed \$440,747; and **4)** authorizing the City Manager or City Manager's designee to issue the required purchase orders in a total amount not to exceed \$1,342,677.

Contact: David Mitchell, Recreation Manager, 808-6076; Craig Lymus, Interim Procurement Services Manager, 808-5524

Presenters: N/A

Department: Parks and Recreation

Division: Procurement Services

Organization No: 4726 / 19001631

Description/Analysis

Issue: The Parks and Recreation Department desires to purchase new educational materials, including lesson plans, teachers' activity guides, and all materials to deliver the lessons, for the Sacramento START (Students Today Achieving Results for Tomorrow) after-school literacy and enrichment program from two companies – ETA/Cuisenaire, a division of A. Daigger and Company, Inc., (ETA) and Nystrom, a division of Herff Jones, Inc., (Nystrom). The educational materials will be used at more than 60 elementary school sites for more than 9,000 students each year over the next 3-5 years. The materials will be in the subject areas of language arts, mathematics, science and social studies.

Policy Considerations: The recommendation to suspend competitive bidding for the purchase of the educational materials is in accordance with City Code

Section 3.56.230(c) that authorizes suspension of competitive bidding if the City Council determines, on a two-thirds vote, that it is in the City's best interests.

The selection of academic materials is inherently a subjective process. While cost is a consideration, more important are other considerations, such as the materials' ability to encourage hands-on and small group learning; whether it includes interactive and innovative activities; whether it includes materials that are colorful and engaging; whether it addresses at least two different learning modalities (auditory, visual, kinesthetic); its ease of implementation by staff and ease of use by children; whether lessons can be delivered in 40- to 60-minute time blocks; and how much storage space is required and how easily the materials can be moved from storage to a school's classrooms and back each day.

Because these selection considerations do not easily lend themselves to the traditional competitive bidding format, staff followed an evaluation process used by school districts when purchasing textbooks to select ETA and Nystrom, as explained in more detail in Attachment 1 (page 4). It is in the City's best interests to suspend competitive bidding for the purchase of these educational materials.

Environmental Considerations: This report concerns administrative activities that will not have any significant effect on the environment and that do not constitute a "project," as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Commission/Committee Action: None

Rationale for Recommendation: In recent surveys conducted of START students, their parents and our employees, as well as of teachers, principals and administrative staff of our school district partners, the need for new educational materials for language arts, mathematics, science and social studies was very apparent. The existing language arts and mathematics materials have been in use for a number of years. Many students have used the same materials year after year and no longer are excited by them. In addition, many schools are unable to devote time to science and social studies in grades one through six during the regular school day, and have asked that START offer these subjects in the after-school program. By purchasing new materials and storing the existing materials for use in the future, the children and staff will be invigorated by the new lessons, activities and materials.

Outside evaluations of Sacramento START and other similar programs over many years have shown that when children regularly attend an after-school program, generally they are absent from school less frequently and they perform better on annual State academic tests. To encourage children to attend what they normally perceive as three or four more hours of school in the afternoon when their friends have gone home to play, the program must engage and excite

the children. The quality and variety of the educational materials and other activities play a large role in determining whether children remain in the program and attend regularly.

Financial Considerations: The cost of the language arts, mathematics and science educational materials from ETA/Cuisenaire is \$901,930, and the cost of the social studies educational materials from Nystrom is \$440,747, for a total cost of \$1,342,677. Funds for the purchase come from Sacramento START's operating budget in the START Fund 245/2501. No General Fund appropriation is required.

Emerging Small Business Development (ESBD): Neither ETA nor Nystrom are certified as emerging/small businesses.

Respectfully submitted by: Craig B. Lymus
Craig Lymus
Interim Procurement Services Manager

Respectfully submitted by: David Mitchell
David Mitchell
Recreation Division Manager

Approved by: James L. Combs
James L. Combs
Director of Parks and Recreation

Recommendation Approved:

Cassandra B. Kerridge
for Ray Kerridge, City Manager

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Attachment 1**Background**Sacramento START

Sacramento START (Students Today Achieving Results for Tomorrow) was launched in 1996. Today, START is widely recognized as one of the most outstanding after-school literacy and enrichment programs in the country, serving thousands of elementary school children in the most disadvantaged areas of the City and County. The City of Sacramento through its Parks and Recreation Department provides management and administrative support. Funding is provided through a partnership with the California Department of Education, the City of Sacramento, seven participating school districts (five after the effective date of the Twin Rivers district on July 1), and donations from foundations, businesses and individuals. A significant portion of the funding comes from the State or from school districts whose funding comes from the State. No fees are charged to the children or their parents.

In recent surveys conducted of START students, their parents and our employees, as well as of teachers, principals and administrative staff of our school district partners, the need for new educational materials for language arts, mathematics, science and social studies was very apparent. The existing language arts and mathematics materials have been in use for a number of years. Many students have used the same materials year after year and no longer are excited by them. In addition, many elementary schools are unable to devote time to science and social studies during the regular school day, and have asked that START offer these subjects in the after-school program.

Purchasing Educational Materials

The California State Board of Education adopts content standards for specific subject areas to encourage the highest achievement of every student, by defining the knowledge, concepts and skills that students should acquire at each grade level. Curriculum frameworks provide guidance for implementing the content standards. All instructional materials used in California public schools must be in compliance with the State Education Code and with State Board of Education guidelines.

The California After School Resource Center (CASRC), under contract with the California Department of Education, provides information on instructional materials and other resources that are specifically used in the after-school setting. CASRC reviews and evaluates after-school instructional materials on a variety of research-based criteria related to content, design, skill development, teaching methods, standards alignment and appropriateness for California after-school programs.

The Selection Process

Working under the guidance of the City's Procurement Services staff, START staff undertook a thorough review of the needs and requirements of the Sacramento START

program for educational materials, determined which companies were in the business of developing and selling desired educational materials for students in grades one through six in the California after-school setting, invited all such companies to demonstrate their products, and selected the companies whose products most closely matched the objective selection criteria to a thorough evaluation conducted by those who have great familiarity in after-school elementary-age education. The process followed was similar to the process used by school districts when purchasing textbooks.

Criteria were determined by which to evaluate the educational materials. The criteria were developed by a group consisting of Sacramento START staff; principals and teachers at our partner elementary schools; as well as experienced educators who have worked for the START program over the years. The most important criteria were the extent to which the materials encourage hands-on learning; encourage small group learning; include interactive activities, such as where the students play games, put on performances and/or solve problems, in a manner that is disguised learning; and address at least two different learning modalities (auditory, visual, kinesthetic or a balance between more than one).

The Sacramento County Office of Education serves as a Learning Resources Display Center for the Sacramento region where samples of approved instructional materials are maintained. Working in conjunction with the Sacramento County Office of Education, Sacramento START staff and representatives of our school partners attended an educational materials fair where all publishers of after-school materials that were recommended by the California After School Resource Center were present to demonstrate their products.

Staff determined which publishers and products to invite to a more thorough review using the criteria described above. Those publishers brought their materials to a formal review panel. Invited to be part of the review panel were principals, teachers and administrators from our partner schools; a few parents of our students; and START school site and administrative staff.

In addition to the criteria described above, the following criteria were evaluated: lessons, activities and materials that are colorful, engaging and have innovative ideas; the ease of training and implementation by staff; the ease of use by children; lessons that can be delivered in 40- to 60-minute time blocks; not needing to purchase or make additional components in order to implement the activities; require minimal storage space; easily moved from storage to classrooms and back each day; have a successful track record in other after-school programs; provide training; ability to complement but not repeat what the children experience during the regular school day; equipment needed to present the materials; and price.

As a result of this lengthy review process, ETA/Cuisenaire, a division of A. Daigger and Company, Inc., (ETA) was selected as the recommended provider for language arts, mathematics and science materials; and Nystrom, a division of Herff Jones, Inc.,

(Nystrom) was selected as the recommended provider for social studies materials. Enough materials are being purchased to supply 63 START elementary school sites serving 9,000 students each year for 3-5 years. Additional materials, to provide for training, replacements and potential new sites, also are being purchased.

Finances

State grant funding is available to purchase the educational materials. However, the materials must be received by June 30, 2008, in order to qualify for the grant funding. The availability of funds may not be repeated for several years. If the State grant funds are not spent this fiscal year on allowable expenses for the START program, the ability to use the funds will be lost.

As a result of the City of Sacramento receiving an After School Education and Safety grant from the California Department of Education in January 2007, the Parks and Recreation Department was able to expand the START program to an additional 23 school sites in the 2006/07 fiscal year. Complying with State law and reimbursement regulations, the first year of the new State grant generated revenue in excess of costs for three reasons: 1) the reimbursement rate per child at all sites increased from \$5.00 to \$7.50 per day; 2) funding for the entire school year was provided although the program at the new sites did not begin until the grant was awarded in January 2007; and 3) expenditures made up to nine months beyond the end of the fiscal year could be charged against the grant. By qualifying for more grant funds than was needed in the 2006/07 grant year, operating costs for some of this year's program were able to be charged against last year's grant. This provided staff with an opportunity to make some one-time purchases with this year's grant funds. It is these funds that are being used to fund the purchase of the educational materials.

The State Department of Education expected that grant recipients would use the additional funds for start-up and other one-time expenditures, such as the purchase of educational materials.

RESOLUTION NO.

Adopted by the Sacramento City Council

SUSPENDING COMPETITIVE BIDDING AND AUTHORIZING THE PURCHASE OF EDUCATIONAL MATERIALS FOR THE SACRAMENTO START PROGRAM IN AN AMOUNT NOT TO EXCEED \$1,342,677

BACKGROUND

- A. The Department of Parks and Recreation's Sacramento START (Students Today Achieving Results for Tomorrow) after-school literacy and enrichment program desires to purchase new educational materials. Our school district partners and program staff have identified new materials as an important purchase to be made.
- B. State grant funding exists to pay for the materials provided that the materials are delivered by June 30, 2008.
- C. Working under the guidance of the City's Procurement Services staff, a thorough and lengthy review process was undertaken to determine what kind of educational materials were desired and the criteria by which the materials would be evaluated.
- D. Staff has recommended suspending competitive bidding to allow for the purchase of educational materials from ETA/Cuisenaire in an amount not to exceed \$901,930 and from Nystrom in an amount not to exceed \$440,747. In accordance with City Code Section 3.56.230(c), the City Council may suspend competitive bidding when it is in the best interests of the City.
- E. The selection of academic materials is inherently a subjective process. While cost is a consideration, other considerations that do not easily lend themselves to the traditional competitive bidding format are involved. Among others, these include the materials' ability to encourage hands-on and small group learning; whether it includes interactive and innovative activities; whether it includes materials that are colorful and engaging; and its ease of implementation by staff and ease of use by children. For these reasons, it is in the City's best interests to suspend competitive bidding.
- F. The cost of the recommended materials totals \$1,342,677, all of which can be charged against a State grant. No General Fund contribution is required.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. It is in the best interests of the City to suspend competitive bidding in the purchase of educational materials for the Sacramento START program.
- Section 2. The City Manager or the City Manager's designee is authorized to execute a contract and any extensions or amendments with ETA/Cuisenaire, a division of A. Daigger and Company, Inc., for the purchase of educational materials in an amount not to exceed \$901,930.
- Section 3. The City Manager or the City Manager's designee is authorized to execute a contract and any extensions or amendments with Nystrom, a division of Herff Jones, Inc., for the purchase of educational materials in an amount not to exceed \$440,747.
- Section 4. The City Manager or City Manager's designee is authorized to issue the required purchase orders in a total amount not to exceed \$1,342,677.