

AN EXPLANATION OF THE DRC CONTRACT

PDE has entered three separate contracts with Data Recognition Corp. (DRC) since 2008 to develop standardized tests. The first contract PDE entered into with DRC was in 2008. That contract was for the development of the PSSA test. The second contract occurred in 2009 for the development of the Keystone Exams. The final contract was entered into to combine the two existing contracts into one contract. It was entered into at the end of 2015 to become effective January 2016.

The amount of state spending for DRC to develop these tests can be determined by reviewing the original contract amounts along with various amendments which in many cases increased the contract amounts.

This amounts attributed to each of the three contracts are as follows:

PDE-08-01, the contract for PSSA exams, was for a 3 ½ year term with a 3 ½ year renewal option. The original amount of this contract was \$91,542,186 and ran from 9/30/08 to 6/30/11. The 3 ½ year renewal was exercised and the contract amount increased to \$196,749,405.59 extending the contract date through 12/31/14. Starting on 1/1/15 through 6/30/16, PDE added an 18 month sole-source extension which increased the amount of the contract to \$251,694,568.50. The final amount for this contract was \$ 252,465,629.10. As of 6/30/16, PDE has paid \$245,813,082.65 towards this contract. This is not a final amount for this contract. PDE still needs to provide the final amounts paid on the contract.

PDE-08-02, the contract for Keystone Exams, was for a 6 year term with an option to add an additional 3 months to the contract. The original amount of this contract was \$ 201,119,255.50 and ran from 4/22/09 through 6/30/15. Starting on 7/1/15 through 6/30/16, PDE added a 12 month sole-source extension which increased the contract to \$ 212,978,871.50. As of 6/30/16, PDE has paid \$ 154,708,716.00 towards this contract. This is not a final amount for this contract. PDE still needs to provide the final amounts paid on the contract.

RFP 6100032526, the contract for the combined PSSA's and Keystone Exams is for a 5 ½ year term with an option to add three additional 1 year terms to the contract. The original amount of this contract was \$210,000,000 and began 1/1/16 through 6/30/21. There is also the ability to add tests for additional subject areas to this contract which could increase the contract amount to \$ 275,713,539.00. As of 6/30/16, PDE has paid \$ 39,990,854.04 towards this contract.

The total amount authorized to be spent on these 3 contracts was \$741,158,039.60. To date, \$ 440,512,652.69 has been paid. As the third contract is still in its beginning stages and the two past contracts experienced amendments which increased the original contract price, it is likely these are not the final amounts that will be authorized on the third contract to be spent on these standardized exams.