



## Optional Pricing and Terms for Ohio Provided by Pearson

Rev. October 2014

Optional Services that may be elected by ODE throughout the term of this contract are listed with additional information provided below. The Terms pertaining to each Optional Service and pricing for each Optional Service may vary per contract year based on the need of the services from ODE and the assessment volume levels submitted by ODE per contract year. Some services may or may not be needed or elected each contract year and will be determined by ODE on or before June 1 of each contract year.

Some options are independent of ODE selecting AI scoring-opt out. Should ODE elect double scoring and opting out of AI scoring, certain optional pricing will be affected by this decision. DAS/ODE and NCS Pearson will negotiate a mutually agreed upon price if it is determined that there is a need for that service.

The base price for the Regional Training Workshops and Opting out of AI Scoring is established in the New Mexico Price Agreement.

### **I. Regional Training Workshops**

- A. ODE is purchasing four Regional Training Workshops for year one (2014-2015). ODE will provide at least 60 days advanced notice. The earliest a workshop will be scheduled is for December 1, 2014.
- B. ODE may elect to purchase up to four Regional Training Workshops per year for years 2-4 of this contract, based on need as determined by ODE. At least 60 days advanced notice is required.
- C. ODE must agree and approve the venue that is selected for the Regional Training Workshops.
- D. Pearson will be responsible for securing and paying for the hotel/conference room space for the workshop, and will be responsible for meeting materials, planning, registration, and conducting the workshop. Pearson will staff each workshop with two trainers.
- E. Each Regional Training Workshop will be up to six hours in length of actual training and one hour will be given to all participants for a meal break.
- F. Each Regional Training Workshop will include a maximum of 2-3 employees per district, and a total of 400 attendees from school districts throughout the state, intended that such attendees will use the knowledge gained at the Workshop to train other local district officials and educators.
- G. Pearson will work with ODE to identify priority training needs, in the technical and administrative aspects of online testing and online assessment and registration platform.
- H. Pearson travel is included. Other participants will be responsible for their own travel and meal expenses.

**Base price per workshop: \$10,150**  
**Year one total, (4 workshops): \$40,600**  
**Four year total, (4 workshops per year): \$162,400**



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### II. 100% Second Score

- A. New Mexico Pricing Agreement year 1 assumptions (base)
- All first scores for ELA and Math (PBT and CBT) assigned by humans scorers
  - 10% second score:
    - Math PBT: human scorer
    - Math CBT: human scorer
    - ELA PBT: human scorer
    - ELA CBT: AI scoring

ELA CBT Prose Constructed Response (PCR) items, automated scoring phase-in

Year	% of ELA/L items	1 <sup>st</sup> Score (100%)	2nd Score (10%)	Resolution
2014-15	100%	Human	Automated	Human
2015-16	67% 33%	Automated Human	Human Automated	Human Human
2016-17	100%	Automated	Human	Human
2017-18	100%	Automated	Human	Human

- B. ODE will not be electing to purchase 100% double second scoring in year one.
- C. If ODE elects to purchase 100% second scoring for all ELA and math items, both paper and online, in subsequent years, it must notify Pearson by June 1 of each year prior to the year in which the option is needed (i.e., by June 1, 2015 for year two).
- D. For this option, method of first score and second score is assumed to be the same method originally planned according to above phase-in plan. For example, in year one the 10% second scoring using AI will become 100% AI second scoring for ELA online. Assumes first score is reported, unless first and second score are nonadjacent and then the third score will be reported.
- E. The pricing will remain in the contract should this option be elected for years 2-4, but will only be invoiced if ODE selects the option. Pricing is based on volumes and online/paper-based testing mix shown in the attached spreadsheet. A price adjustment will be required if the actual test volumes or percent of paper-based testing exceeds projected volumes.
- F. Pricing is independent of ODE selecting AI scoring-opt out. If ODE elects double scoring and opting out of AI scoring in the same year, DAS/ODE and Pearson will negotiate a mutually agreed upon price if it is determined there is a need for these services.

	2014-15	2015-16	2016-17	2017-18	Total
Price	N/A	\$11,791,595	\$11,818,868	\$11,820,220	\$35,430,683

### III. AI Scoring Opt-Out

- A. ODE will not be electing to use this option in Year one.
- B. If ODE elects to opt out of AI-scoring for ELA online scoring in subsequent years, it must notify Pearson by June 1 of each year prior to the year in which the option is needed (i.e., by June 1, 2015 for year two).

Year	% of ELA/L items	1 <sup>st</sup> Score (100%)	2 <sup>nd</sup> Score (10%)	Resolution
2015-16	100%	Human	Human	Human
2016-17	100%	Human	Human	Human
2017-18	100%	Human	Human	Human



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**III. AI Scoring Opt-Out (Continued)**

- C. The pricing will remain in the contract should this option be elected for years 2-4, but will only be invoiced if ODE selects the option. Pricing is based on volumes and online/paper-based testing mix shown in the attached spreadsheet. The price is the product of the established per student and per test prices shown in Table E in the Compensation document of the New Mexico Price Agreement and online ELA test volumes projected by ODE. A price adjustment will be required if the actual test volumes or percent of online testing exceeds projected volumes shown in the attached document.
- D. Pricing is independent of ODE selecting double scoring. If ODE elects double scoring and opting out of AI scoring in the same year, DAS/ODE and Pearson will negotiate a mutually agreed upon price if there is a need for both services.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>TOTAL</b>
Price	N/A	\$2,603,880	\$4,534,362	\$ 4,847,248	\$11,985,490

**IV. Parental Challenge/Rescore: Years 2, 3 and 4**

- A. ODE will not be electing to use this option in Year one.
- B. Should ODE require this service in Years 2, 3, or 4 DAS/ODE will negotiate pricing with Pearson by June 1 prior to the school year in which the service is required.

**V. 2 Additional Years of Digital Storage**

- A. Ohio requires storage for four years following scoring and reporting of each administration.
- B. Electronic files contain student responses (i.e., scanned answer documents or computer-based equivalent)
  - o For paper documents the electronic storage of student response documents applies to PBA and represents the cost of clipping images (e.g., demographic and OMR data is not clipped)
- C. Does not include additional physical storage of paper student response documents.
- D. Price based on attached student test volumes by testing mode, and will renegotiated if volumes and/or testing modes change by more than 10% in any given year.
- E. Decision to execute this option must be communicated to Pearson by June 1 prior to the school year in which the service is required. ODE is electing to use this option in Year one.
- F. Additional storage costs will be added to the contract value in the year in which the students are testing. For example, the amount shown in the following table for year one (2014-2015) reflects the price to ODE to provide digital storage for students testing in year one for four-years instead of two years. The amount shown for year two (2015-2016) reflects the price to ODE to provide digital storage for students testing in year two for four-years instead of two years. The pricing schedule is set up this way to allow ODE to pay for all additional storage within the term of the four year contract, even if Pearson provides storage after June 30, 2018.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>TOTAL</b>
Price	\$200,566	\$240,610	\$259,091	\$298,530	\$998,796



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**VI. Summer Retest: 2016 and 2017**

- A. No summer retesting will be offered in the summer of 2015 (year 2); reports for year 1 will not be provided until fall 2015 after standard setting.
- B. Summer retesting in 2018 is beyond the scope of the contract, which ends June 30, 2018.
- C. At the time of contract award, ODE intends to elect summer retesting in the summer of 2016 and 2017. Decision to execute this option must be communicated to Pearson no later than June 1 for the following summer retest option (e.g., Decision to be made by June 1, 2015 for July-August 2016 retest).
- D. Retests will be offered online and paper, according to the volumes shown in the attached spreadsheet.
- E. An existing test form from a previous administration will be used.
- F. Retests will be administered the last week of July and first week of August of 2016 and 2017 (note prices below are shown in the fiscal year in which the costs will be incurred by ODE).
- G. Assumes standard PARCC scoring for ELA and Math, both paper and online. Pricing is independent of ODE selecting double scoring. If ODE elects double scoring and opting out of AI scoring in the same year, ODE and Pearson will negotiate a mutually agreed upon price if there is a need for both services.
- H. Results will be included in the form of a data file; no hard copy reporting is included.
- I. If retests are required for other grades/courses, additional costs will apply.
- J. Annual firm fixed pricing provided below. As long as Ohio's retest volumes do not exceed the attached volume estimate for the summer 2016 or summer 2017 retests by more than 10%, Pearson will honor these firm fixed prices. However, in the event that retest volume is 110% or more of the attached volumes, each additional test will be billed at the rate of \$50 per test. Alternatively, ODE may work with Pearson June 1 prior to the year the service is needed to negotiate alternative pricing for a different volume if the volumes provided in this estimate are no longer within 10% of the number anticipated for the following summer retest.
- K. If the percent of paper testers goes up by more than 10% of what is estimated in the attached volumes, both parties agreed to renegotiate the pricing.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>TOTAL</b>
Price	N/A	N/A	\$2,531,191	\$2,278,256	\$4,809,447

**VII. Fall Administration: 2015, 2016, and 2017**

- A. Ohio has requested an additional separate administration of the Grade 3 ELA assessment to all students in the fall each year, beginning in 2015.
- B. Includes up to 127,000 grade 3 ELA assessments per fall administration.
- C. PBA and EOY administration will be available on paper and online. ODE will limit entire schools to one mode or the other for both sections of the test.
- D. An existing test form from the previous spring administration will be used, including previously published consumable test books.
- E. Tests will be administered during a 4-week window between mid-September and, mid-October.



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**VII. Fall Administration: 2015, 2016, and 2017 (Continued)**

- F. Assumes standard PARCC scoring, both paper and online. The AI phase-in plan will be followed using the same requirements from the previous spring administration (i.e., fall 2015 all ELA online PCR's will receive 10% second score using AI scoring). Pricing is independent of ODE selecting double scoring. If ODE elects double scoring and opting out of AI scoring in the same year, ODE and Pearson will negotiate a mutually agreed upon price if there is a need for both services.
- G. Standard paper-based and electronic reporting (data files) will be provided.
- H. Decision to execute this option must be communicated to Pearson no later than December 1 of the previous year (e.g., Decision to be made by December 1, 2014 for September-October 2015 administration).
- I. Annual firm fixed pricing provided below. As long as Ohio's grade 3 ELA volumes to not exceed the attached volumes for fall by more than 10%, Pearson will honor these firm fixed prices without charging an additional per test price. However, in the event that retest volume is 110% or more of the attached volumes, that year's tiered per student test price for grade 3-8 (by mode) will apply. If the percent of paper testers goes up by more than 10% of what is estimated in the attached volumes, both parties agreed to renegotiate the pricing.
- J. Spring grade 3 volumes are invoiced at the full tier price for grades 3-8, whether or not a student takes both ELA and math. Ohio volumes for grade 3 Fall, Fall block, and Spring all count towards the consortium's volume tier.

	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>TOTAL</b>
Price	N/A	\$2,391,941	\$2,011,456	\$1,835,574	\$6,238,971

**VIII. Bi-Mode Testing for Grades 3-8: Years 1-4**

- A. The New Mexico Pricing Agreement for grades 3-8 is based on each student taking ELA and Math in the same mode (all paper or all online).
- B. Ohio requests that schools be allowed to administer ELA and Math in different modes for students in grades 3-8, including ELA on paper and Math online or Math on paper and ELA online.
- C. ODE has agreed to encourage schools to test all students by grade and/or subject area in the same manner (ELA paper/Math online or Math paper/ELA online).
- D. Assumes standard PARCC scoring for ELA and Math, both paper and online. Pricing is independent of ODE selecting double scoring. If ODE elects double scoring and opting out of AI scoring in the same year, ODE and Pearson will negotiate a mutually agreed upon price if there is a need for both services.
- E. Pricing is based on paper-based testing rates in the New Mexico Pricing Agreement, with discounts applied for online delivery of ELA. Students testing on paper for ELA will be billed at the standard paper-based testing rate. For example, at the low volume tier, if a student tests ELA online and math on paper, the price will be \$29.47. If a student tests math online and ELA paper, the price will be the paper-based test price \$32.97. (In order to provide the flexibility, recover fixed costs (without guaranteed paper volumes), and because Pearson does not gain efficiencies of automated scoring with math being the only content area online, the price for testing only math online does not have a pricing discount.)



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### IX. Bi-Mode Testing for Grades 3-8: Years 1-4 (Continued)

- F. Bi-mode is defined as a student in grades 3-8 taking a computer-based 3-8 ELA test and a paper-based 3-8 mathematics test. Should a student take the reverse (ELA paper and math online) the paper-based testing price applies in lieu of the bi-mode pricing as the bi-mode pricing reflects the use of AI scoring for ELA.

	Low Volume	Medium Volume	High Volume
Computer Based Test	\$23.97	\$19.97	\$18.97
Bi-Mode Test	\$29.47	\$26.24	\$25.24
Paper Based Test	\$32.97	\$28.97	\$27.97