

**MINUTES OF THE ANCHORAGE SCHOOL BOARD
REGULAR MEETING OF NOVEMBER 10, 2003**

The Anchorage School Board met in Regular Session on Monday, November 10, 2003 at 6:40 p.m. in the Board Room at the Anchorage School District Administration Building. President Jake Metcalfe presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE

Board Members Present: Mary Marks, Crystal Kennedy, Tim Steele, Jake Metcalfe, Jeff Friedman, John Steiner, and Macon Roberts.

Others Present: Carol Comeau, Janet Stokesbary, Eric Tollefsen, Jan Christensen, Enid Hunter, Mike Henry, Patricia McRae, Gail Opalinski, Jerry Sjolander, Jeff Wood, Marie Laule, Mary Lou Boughton, Larry Wiget, Brent Rock, Mark Mew, Pam Chenier, Stan Syta, Mike Klawitter, Debbie Bogart, Ray Amsden, Loretta Nabong, William Johnson, Mary Kay Sambo, the press, and other interested people.

B. ANNOUNCEMENTS

Tim Steele announced that Mary Marks was unanimously elected to the Alaska Association of School Board (AASB) Board of Directors.

Mary Marks noted that she attended the Alaska Federation of Natives Conference in Anchorage in October and all resolutions that were passed will be passed on to the Board members. She also attended the Alaska Native Summit. She will also be providing information to the Board on research completed by the McDowell Group on Native students and leadership, education, and curriculum.

John Steiner reported that he was very encouraged by a presentation made by Commissioner Roger Sampson on some very positive things that the Department of Education and Early Development is doing with possible changes in state assessments.

Mr. Steiner also announced that one of our Anchorage School District teachers, Kathi Steele, was named teacher of the year. Ms. Steele, who is a teacher at Chugiak High School, will be recognized formally at a later date.

C. APPROVAL OF AGENDA

Mary Marks asked to rearrange the agenda and put the Superintendent's report before the Consent Agenda. Superintendent Comeau noted that she would like to keep the agenda in the order presented because so many people were in the audience to testify on the bid protest and the financial plan. Jake Metcalfe agreed and asked for a motion to approve the agenda. The agenda was unanimously approved as submitted.

D. AWARDS/RECOGNITION/PRESENTATIONS1. ASD Memorandum #105 - ASD Employees Prevent Serious Fire

On the night of September 25, 2003, Custodians Leoven Arruiza and Charles Slagle were working in Northern Lights ABC School when all the classroom doors held open by magnetic catches suddenly released. The magnetic catches are associated with the fire alarm system, however, no fire alarm was initiated. The workers recalled that a contract worker had been doing some welding/cutting at the loading dock and they headed in that direction. When they arrived they found the Multi-Purpose Room full of smoke and a dustmop was on fire in the vestibule adjacent to the Multi-Purpose Room near where the contractor had been working. While Mr. Slagle called 911 to notify the fire department, Mr. Arruiza was able to extinguish the fire with several buckets of water. When the Anchorage Fire Department arrived the fire was out and most of the smoke had been vented from the Multi-Purpose Room.

A potentially serious fire was averted by the quick and appropriate response of Mr. Arruiza and Mr. Slagle. These employees set a good example for other employees and we are proud to have them in the Anchorage School District.

It is requested that the School Board recognize Mr. Leoven Arruiza and Mr. Charles Slagle for their quick response to this emergency situation.

E. SPECIAL ADVISORY REPORTS1. Student Advisory

Lorett Nabong thanked Chugiak High School for hosting the last Student Advisory Board on October 24, 2003. He thanked the School Board for allowing him to attend the Youth Leadership Institute sponsored by AASB.

Tim Steele noted that AASB is considering expanding student participation in this institute and that other districts will be bringing additional students. Carol Comeau stated that she will look into this while developing the budget for 2004-2005. She further stated that the Anchorage School District provides the opportunity for the student representative to go to Juneau with the Board to lobby the legislature.

2. Military Delegate

LTC Michelle Holtrey thanked the District for the warm welcome she has received. She commented that she is overwhelmed with the support given to the military community. LTC Holtrey commented that the demographic numbers given to the District previously are less than anticipated—they expect 100 additional students over the next six to eight months.

Jake Metcalfe stated that he had the opportunity to travel to Shishmaref with the Alaska Air National Guard as part of the Operation Santa Claus. He noted that it was a huge success.

3. MECC

William Johnson announced that the next MECC meeting is scheduled for November 20 at 12 noon in Room 321 and is open to the public.

F. PERSONS TO BE HEARD ON NON-AGENDA ITEMS

Linda Masterson, Librarian at Goldenview Middle School, and Valarie Oliver, Librarian at Trailside Elementary School, gave a presentation on the Alaska Association of School Librarians. A bag of “goodies” was presented to the Superintendent and each Board members. Ms. Masterson noted that librarians made a huge difference in student achievement and a quality library makes a difference.

Jeff Friedman noted that he is the child of a school librarian and agrees with the importance of the school library.

Theresa Obermeyer stated that she comes to the School Board meetings because she has an institutional memory. She has raised four children and has lived in the community since the 1970s. She stated that she did not know there was a 4:30 p.m. special School Board meeting. Ms.

Obermeyer noted that she still has not received a list of school board members in Alaska. She would also like a list of principals in the state.

G. CONSENT AGENDA

Consent Agenda attached. **All attachments referred to in memoranda recommendations are on file in the Superintendent's Office.**

1. ASD Memorandum #123 - Resolution in Support of Principal Appreciation Day, November 21, 2003

It is the Administration's recommendation that the School Board adopt the attached resolution designating November 21, 2003, as Principal Appreciation Day in the Anchorage School District.

2. ASD Memorandum #106 - FY 2004-2005 Financial Planning

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to prepare the Anchorage School District's FY 2004-2005 Preliminary Financial Plan in accordance with the financial projections set forth in this memorandum. Specifically, the budget for FY 2004-2005 is to be established for planning purposes with projected revenues not-to-exceed \$499,946,630. This includes individual fund budgets currently projected as follows:

	<u>FY 2004-2005 Financial Plan</u>
General Fund	\$377,948,532
Food Service Fund	13,738,600
Debt Service Fund	68,259,498
Local/State/Federal Projects Fund	<u>40,000,000</u>
 Total - All Funds	 \$499,946,630

It is further recommended that the School board authorize the Superintendent to adjust the budget expenditure ceiling indicated above in accordance with any negotiated contract adjustments and other associated costs increases, further review of the fees; structure, School Board requests, Administration, community, staff and students' budget review team recommendation as implemented by the Superintendent. In addition, flexibility must be allowed for adjustments based on updated demographic

and/or economic information as well as the status of the Eagle Academy Charter School application scheduled for School Board review on November 17, 2003 and/or staffing based on review of student enrollment projections.

3. ASD Memorandum #107 - Resolution for American Education Week and All School Employees

It is the Administration's recommendation that the School Board adopt the attached resolution designating November 16-22, 2003, as American Education Week for all employees in the Anchorage School District.

4. ASD Memorandum #108 - Award of Contract: south Anchorage High School Kitchen Equipment

It is the Administration's recommendation the School Board approve and authorize the Superintendent to award a contract for the South Anchorage High School Kitchen Equipment to Refrigeration & Food Equipment, Inc., for the Total Extended Price amount of \$129,314.

5. ASD Memorandum #61 - Professional Services Selection for Facilities, Student Nutrition Center, Warehouse, and Transportation Emergency Preparedness - Phase I

It is the Administration's recommendation the School Board approve the selection of Uni-Group Engineers as the Architects/Engineers for the Facilities, Student Nutrition Center, Warehouse and Transportation Emergency Preparedness Project - Phase 1, and authorize the Superintendent to negotiate and enter into a contract with Uni-Group Engineers for design services.

6. ASD Memorandum #109 - Award of Contract: Copier Services

It is the Administration's recommendation that the School Board approve a five and one-half year contract with two one-year renewal options at the District's discretion, to Frontier Business Systems for Districtwide copier services on a price per copy basis of \$.013 for guaranteed minimums and \$.005 for all excess copies for an annual estimated amount of \$1,423,186.

7. ASD Memorandum #102 - Acceptance of Continuation Grant Award: Safe and Drug-Free Schools Peer Education Initiatives

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept a continuation grant from the Alaska Highway Safety Planning Agency in the amount of \$162,361 to fund the Safe and Drug-Free Schools (SDFS) peer education program.

8. ASD Memorandum #111 - Acceptance of Grant Award: Advanced Placement Incentive Program

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to accept grant funds from the Alaska Department of Education and Early Development in the amount of \$63,159. The grant will fund Advanced Placement (AP) training for an expected 100-150 Anchorage School District middle school and high school teachers.

9. ASD Memorandum #103 - Approval of Gifted Behavior and Student Learning Plan Strategist Position

It is the Administration's recommendation that the School Board authorize the Superintendent to approve the addition of a Gifted Behavior and Student Learning Plan Strategist position to the special education department. The position will be supported from conversion of a teaching position in the gifted education budget.

10. ASD Memorandum #113 - Personnel Report

It is the Administration's recommendation that the School Board approve the attached Personnel Report.

The following items were removed from the Consent Agenda: ASD Memorandums #123; #106; #107; #109; and #103.

ACTION:

Moved by Tim Steele
seconded by Mary Marks

to approve Memorandum #108;
Memorandum #61;
Memorandum #102;
Memorandum #111; and
Memorandum #113.

VOTE:

Ayes: Marks, Kennedy, Steele, Metcalfe,
Friedman, Steiner, Roberts

Nays: None

MOTION PASSED

ASD Memorandum #123 - Resolution in Support of Principal
Appreciation Day, November 21, 2003

It is the Administration's recommendation that the School Board adopt the attached resolution designating November 21, 2003, as Principal Appreciation Day in the Anchorage School District.

ACTION:

Moved by Jeff Friedman
seconded by Mary Marks

to approve Memorandum #123.

Theresa Obermeyer was called out of order and a brief recess was called by President Jake Metcalfe.

Tim Steele read the resolution in support of Principal Appreciation Day.

Superintendent Comeau stated that she was notified by the State that this was an official recognition day for principal, which is very appropriate. She commented that with the everyday challenges of the No Child Left Behind legislation, principals have risen to the occasion to work through the myriad of issues that have come forward.

John Steiner noted that he can not overstate the importance of the principals and the work they accomplish in the schools.

Theresa Obermeyer was ruled out of order again by President Metcalfe.

VOTE:

Ayes: Marks, Kennedy, Steele, Metcalfe,
Friedman, Steiner, Roberts

Nays: None
MOTION PASSED

ASD Memorandum #106 - FY 2004-2005 Financial Planning

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to prepare the Anchorage School District's FY 2004-2005 Preliminary Financial Plan in accordance with the financial projections set forth in this memorandum. Specifically, the budget for FY 2004-2005 is to be established for planning purposes with projected revenues not-to-exceed \$499,946,630. This includes individual fund budgets currently projected as follows:

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It is further recommended that the School board authorize the Superintendent to adjust the budget expenditure ceiling indicated above in accordance with any negotiated contract adjustments and other associated costs increases, further review of the fees; structure, School Board requests, Administration, community, staff and students' budget review team recommendation as implemented by the Superintendent. In addition, flexibility must be allowed for adjustments based on updated demographic and/or economic information as well as the status of the Eagle Academy Charter School application scheduled for School Board review on November 17, 2003 and/or staffing based on review of student enrollment projections.

ACTION:

Moved by Tim Steele to approve Memorandum #106.
seconded by Mary Marks

Carol Comeau noted that this has been a very challenging year for budget development. Four budget review teams were organized with community members and key staff members. She thanked the

individuals who participated in this process. The information and suggestions are currently being reviewed and processed. A letter was also sent to each employee asking for suggestions for efficiencies, program cuts, etc. E-mails were also encouraged. Ms. Comeau informed the Board that she reviewed the tape of the work session on the budget and that helped her come to the recommendation before them tonight. She also thanked the Board for the flexibility of the fund balance as well as considering increases to fees. Ms. Comeau stated that we are trying to set the upper limit to give the administration guidance to bring a balanced budget to the Board in January, which we are required to do. Trying to reach a \$26 million dollar deficit is difficult with the declining enrollment; we will experience program cuts as well as loss of positions. Ms. Comeau stated that the community wants a strong viable educational program, but we need additional revenues to do our job and provide a quality education to our students.

Superintendent Comeau reviewed the memorandum and stated that we are anticipating level funding, 54 percent of our general fund will come from the state, which is a decline from previous years. She commented that education is a state mandated function, but support is declining over time. She encouraged the Board and community to send a message that this is not acceptable. Ms. Comeau cautioned the Board that our financial assumptions are made on our best estimates today, but things could change. The document may need to be revised. The budget will not be final until June 2004.

Ms. Comeau stated that the Administration is recommending the use of \$4.5 million dollars of the undesignated fund balance. This will leave 5.86 percent left based on our auditor's recommendation. The budget is also based on the presumption that we will receive full funding by the legislature for pupil transportation. Ms. Comeau also commented that she will be meeting with the Student Advisory Board to discuss the increase of fees.

The Budget Review Team also asked the District to review the possibility of a bus fee; the students on free or reduced lunches would have their fee waived. The projection is that it would increase our revenue by \$1 million dollars. The impact of this must be researched thoroughly. There is a huge issue in logistics to make sure a student has paid to ride the bus. We must also look at those students who parents won't pay the fee or can't afford to pay. Students may be put in danger or unsafe conditions because they would be walking to school. The Administration must

weigh the pros and cons prior to making a recommendation. Increasing the family cap for student activities is another idea.

Ms. Comeau commented that the expenditure side of the budget will be worked on within the next two months. The Administration will be reviewing teacher salaries, negotiated agreements yet to be negotiated, etc. She emphasized that the District is not assuming any change in our staffing ratios at this time and is planning to maintain our major maintenance program. Ms. Comeau stated that our facilities are aging and must be maintained. She mentioned that supply accounts will not be increased and are looking at a reduction in this area. Emergency preparedness costs will also increase. Schools will be the center site should an emergency occur. Ms. Comeau noted that no additional equipment purchases will be made except from one-time expenditures that will come from the \$4.5 million dollar fund balance designation. Superintendent Comeau stated that the Administration projected our fiscal gap to be \$19.1 million dollars if we are able to use the \$4.5 million dollars from the undesignated fund balance.

Jake Metcalfe asked for an explanation of the fund balance. Janet Stokesbary stated that the undesignated fund balance is there to cover revenue shortfalls. It is used for cash flow and cash needs for emergencies. She further commented that three to five percent of the budget should be held back according to our auditors and by industry standards. Ms. Stokesbary stated that five percent will be left if we use \$4.5 million dollars from the undesignated fund balance. She further commented that in addition to the three to five percent, we have an agreement with the Municipality to preserve or maintain the credit rating for selling bonds. We also agreed to keep 8.25 percent of the tax appropriation we receive.

John Steiner commented that he hopes the public understands and appreciates that when we have an undesignated fund balance, we are spending less than what we are allowed to; we actually have reduced our expenditures. Mr. Steiner mentioned that state funding has actually gone up in dollars in support of our schools.

Mr. Steiner asked what the \$75 fee for graduation support services actually covers. Mike Henry responded that the fee does not come close to covering the services provided to students. He further commented that courses offered after school have no administrative costs. Summer school cost is considerably higher due to having to hire administrators and staff. Mr. Henry does not have the actual percentage that it covers.

Gail Opalinski noted that the summer school fee covers about one-tenth of the cost of the program. Their goal is to maintain smaller class size to provide more remediation for students.

Patricia McRae stated that the same is true for elementary summer school. About \$20,000 to \$30,000 is received from parents, which covers less than ten percent of the summer school costs.

John Steiner commented that he hopes that no one is turned away from graduation support services or summer school because of their inability to pay their fee. Mike Henry responded that there is no limit—if more students apply, then more teachers are hired. Carol Comeau noted that our commitment is to provide opportunities to students to make up credits, but we must always look at the availability of funds. She further commented that these figures are for planning purposes only and that it is not necessarily what will be recommended in January.

Jake Metcalfe explained the public process regarding the budget. Tim Steele stated that this is a painful process and we still have a significant way to go to balance the budget. We must look at the little items before we get to the big ones.

John Steiner appreciated Ms. Comeau's comments on the bus fee. He has serious reservations about this and is pleased we are committed to doing research at this point. Mr. Steiner noted that it could have ramifications on our negotiated agreement. Janet Stokesbary and Marie Laule will review this topic at the Council of Great City Schools Conference.

Carol Comeau stated that public hearings will be held in January and opportunities will be available for public testimony. The Board will then ask for information and respond to the recommendations. First and second readings will follow and more public testimony will be received.

John Steiner commented that he hopes that the Board will have an opportunity to review the major pieces of the budget prior to the budget being brought forward in January. He wants to make sure that the Board is comfortable with the direction the Administration is taking. Carol Comeau responded that the budget is a challenge and it is agonizing for the Administration to get to the final recommendations. She noted that most often, the work is not complete until very close to first reading.

Tim Steele suggested to the Administration that if they come up with any creative suggestions, the Board would be interested in hearing about it. Jake Metcalfe responded that he prefers the budget be presented in its entirety at one time. He also stated that we have the public to weigh in on the suggestions presented. Ms. Metcalfe does not want it presented in bits and pieces which would allow special interest groups to weigh in.

Mary Marks asked what the music instrument usage fee was used for. Carol Comeau responded that she believes it is the fee charged to students who use a District instrument. She further noted that when this fee was instigated, it gave more of an ownership to the student to take better care of his/her instrument. It also offsets the cost to clean the instruments. Mary Marks suggested an increase to \$15 per instrument.

Carol Comeau expressed her wish to the Board to pass this recommendation tonight so the Administration can move forward. Jake Metcalfe urged the Board to pass the motion to begin the starting point to build the budget. He further commented that he hopes our deficit is not more than \$19 million dollars, which is proposed in the Administration's recommendation.

VOTE:

Ayes: Marks, Kennedy, Steele, Metcalfe,
Friedman, Steiner, Roberts

Nays: None

MOTION PASSED

ASD Memorandum #107 - Resolution for American Education Week and All School Employees

It is the Administration's recommendation that the School Board adopt the attached resolution designating November 16-22, 2003, as American Education Week for all employees in the Anchorage School District.

ACTION:

Moved by Jeff Friedman to approve Memorandum #107.
seconded by Macon Roberts

Each Board member read a section of the resolution.

Jake Metcalfe stated that the Board encourages public testimony on items on the agenda and that Roberts Rules of Order are used to conduct public

business. He noted that the Board enforces the rules and encouraged Ms. Obermeyer to follow the rules.

Theresa Obermeyer stated that she tries to be helpful and wants to be known as the local opposition. She accused Mr. Metcalfe of not being civil and respectful.

VOTE:

Ayes: Marks, Kennedy, Steele, Metcalfe,
Friedman, Steiner, Roberts

Nays: None

MOTION PASSED

The Board recessed at 8:05 p.m. and returned at 8:20 p.m.

ASD Memorandum #109 - Award of Contract: Copier Services

It is the Administration's recommendation that the School Board approve a five and one-half year contract with two one-year renewal options at the District's discretion, to Frontier Business Systems for Districtwide copier services on a price per copy basis of \$.013 for guaranteed minimums and \$.005 for all excess copies for an annual estimated amount of \$1,423,186.

ACTION:

Moved by Tim Steele to approve Memorandum #109.
seconded by Jeff Friedman

Superintendent Comeau informed the Board that there has been a bid protest filed by Xerox on the District's decision to award the copier contract to Frontier Business Systems. We will be following School Board Policy, Section 725.368 - Appeal Process for Aggrieved Bidders/Proposers.

Ms. Comeau stated that Mr. Donald W. Worthley, C.P.M., third party reviewer, will be giving his report. Representatives from Xerox and Frontier as well as staff will be available to give their presentation and will be available to answer questions.

Mr. Worthley stated that he performed an independent review of materials relevant to ASD Request for Proposal 2003-602 entitled "Digital Copier Services." The purpose of the review was to determine the merit of the Notice of Appeal of the Intent to Award received from Xerox

Corporation. Due to time constraints and the significant volume of materials, the copies of actual proposals from Xerox, Frontier Business Systems, and Icon Office Solutions, Inc. and handouts provided were not reviewed in detail.

Pricing

Xerox makes the assertion that ASD could save \$529,340 over the period of the contract if award were made to Xerox.

Findings - Points awards to each proposer for the technical component are consistent with the award criteria as found in the subject RFP. Although the pricing formula was not stated actual point awards for price were consistent with established governmental practices for this type of solicitation.

Determination - The point awards for pricing in RFP 2003-602 were correctly awarded in accordance with the terms, conditions, and specifications contained therein.

Proposal Responsiveness

The Xerox protest suggests two technical specifications wherein the FBS proposal is deficient: Memory and Reduction/enlargement increments.

Findings - The information available prior to November 7, 2003 supports two deficiencies: memory and reduction/enlargement increments. The specification calls for a minimum 64MB memory for which FBS indicated 48MB. The FBS letter of November 7, 2003 suggests that the memory issue results from uncertainty regarding the application area of the memory. Examination of the specification sheet of the ARM 237 indicates 48MB total memory with upgrades as large as 1024 MB available.

Regarding the matter of the reduction enlargement deficiency, the ability to reduce and enlarge in increments of one percent was not so noted in the FBS proposal. The FBS protest response letter suggests that the machine offered does reduce/enlarge in one percent increments; however, due to an administrative error, this capability was not so indicated in the proposal.

Determination - The Xerox assertions appear to be supported. Determination of the extent to which these issues will affect performance of the subject machinery is beyond the scope of the review.

Service Technicians Team

The protest contains a lengthy challenge to the technical qualifications and number of personnel FBS proposes to support a contract with ASD. The protest is worded as to suggest that the RFP requires a service team dedicated exclusively to support the ASD contract. The protest letter contains the following statement: "At no point in FBS's proposal to ASD did FBS state the names of the technicians that would be dedicated to ASD." Also, the protest places considerable emphasis on the need for FBS to hire additional staff should ASD award FBS the contract.

Findings - The personnel resumes provided indicate a team of technicians with training received from as far back as 1986 and continuing through 2003. The protest letter indicated the earliest training date; however, omits the most recent training date. FBS indicates an intention to hire four additional technicians and one support person if awarded a contract by ASD. This is an expected response to receipt of award of a contract of the size proposed by ASD.

Determination - The documentation provided suggests that FBS will be able to support a contract of the type proposed for ASD.

Mr. Worthley concluded that he reviewed a large volume of documentation provided regarding ASD RFP 2003-602 entitled Digital Copier Services, and the subsequent letter of protest submitted by Xerox. Three defects as presented in the letter of protest do appear to exist. No formula for calculating pricing points was found in the RFP or in Addenda #1 or #2. Also, the memory quantity and reduction/enlargement increment issues are supported. The matter of the formula is a minor irregularity that does not affect the outcome of the solicitation process. It is the responsibility of the ASD technical personnel to determine how the two technical defects affect the ability of FBS to provide adequate copier support to ASD. The documentation available and reviewed in light of the subject protest provides no compelling reason to withhold award from Frontier Business Systems. The appearance is that RFP 2003-602 was administered in accordance with current Anchorage School Board policies and the terms, conditions, and specifications as represented in the subject RFP.

Ken Taylor, Van Bridges, representatives from Xerox, and Jahna Lindemuth, attorney, came forward to give their presentation.

Mr. Taylor summarized the purpose of their protest. The primary points of the appeal were as follows:

Pricing - Xerox's proposal represents \$529,340 savings over the next lowest bidder, Frontier Business Systems. The points awarded an actual pricing variance are not relative and does not accurately reflect the importance of price.

Proposal Responsiveness - Minimum proposal specification not met in all three-product categories.

Evaluation and Selection Criteria - The evaluation and selection process lacked an evaluation matrix to determine the responsiveness of each proposal. The distribution of points does not accurately reflect the content of the proposals. The selection committee could be biased based upon false information.

Mr. Taylor listed the following primary areas of concern:

1. The RFP format utilizing evaluative criteria has been successful in awarding contracts in three specific RFPs; ASD, Juneau and Kenai Borough School District. In all instances, Xerox received the highest points for the non-price components when an evaluation matrix was used.
2. The lack of this evaluation matrix caused an inaccurate evaluation and thus ranking.
3. In the pricing comparison a clear winner was selected. The assessment for the technical evaluation directed the raters to select a 5 for most responsive or amongst most responsive in each category. Therefore, it is logical to believe that each category should have listed at least one ranking of 5.
4. The scoring and point spread methodology applied subjective assessment to categories comprised of objective criteria.

Jahna Lindemuth, attorney for Xerox, stated that she received a copy of the independent review at 11:00 a.m. this morning and has not had an opportunity to thoroughly review the document. She stated that Xerox wants an unbiased fair consideration of their proposal. It was their understanding that the evaluation matrix used in 1998 has been done on all contracts, but it was not applied in this event. They feel there was procedural unfairness here. Xerox went forward thinking that the matrix would be used. When the actual bid award was made, they then found

that the matrix evaluation was not used. This gives the appearance of impropriety. Ms. Lindemuth also suggested the appearance of impropriety with the use of Mr. Worthley, who is the procurement officer for the Alaska Railroad, as the third party reviewer. Frontier Business Systems listed the Alaska Railroad as a reference in their initial proposal. Ms. Lindemuth stated that it makes little sense having an independent review performed by someone associated with Frontier. The review should have been accomplished by someone not associated with either party involved in this bid protest. She further commented that just the appearance alone is a basis for rejected the proposal and reconsideration based on case law. One of the options of the School Board is to reject the unresponsive bidder and award to the responsive bidder. Ms. Lindemuth suggested that the Board stay the award and have the proposal reviewed again under the matrix.

Jeff Friedman asked how the 1998 matrix was different from this time. Mr. Bridges noted that there was not an evaluation matrix used, but a point value schedule was used.

Jake Metcalfe asked Ms. Lindemuth if she thought there would be a case of impropriety if the School District was awarding a contract to the state and John Steiner, who is a Board member and works for the State of Alaska, would be voting on the award. Ms. Lindemuth responded no, but if an independent review is done and the reviewer's business is listed as a reference, then it would show a case of impropriety.

Greg Niesen, owner of FBS, stated that there were only three bids submitted to the District for the copier contract and the reason for that is that it has always been awarded to Xerox in the past. In 1998, FBS opposed the bid because they could have saved the District three-quarters of a million dollars, yet Xerox was allowed to change the bid amount after the envelopes were opened. Mr. Niesen stated that he almost did not bid on this contract, but the Director of Purchasing assured him that it would be a "straight-up" bid and requested they reconsider. During the bid process, he saw changes by all vendors incorporated in the bid document; addendums included everything they wanted. He noted that during the pre-bid, Xerox got more than anyone else and asked why they are complaining now and not before the award was made. Mr. Niesen stated that his proposal would save the District money.

Mr. Niesen provided the following response to the bid protest filed by Xerox Corporation and provided the School Board with more detailed information regarding the protest:

Proposal Responsiveness

Minimum specifications not met in all three product categories. Equipment proposed by FBS meets or exceeds all bid requirements as proven in the bid document.

Pricing

Xerox's proposal represents \$529,340 savings over the next lowest bidder, Frontier Business Systems. Xerox exaggerates the savings.

The methodology used to evaluate, score, and rank does not accurately reflect the importance of price. Xerox has fully supported this RFP rating process in two previous local district RFPs. More weight was given to price on the current RFP score than in past RFPs.

Evaluation and Selection Criteria

The evaluation and selection criteria was mostly objective and lacked an evaluation matrix to determine the responsiveness of each proposal.

Mr. Niesen brought up the issue of objectivity in the 1998 ASD RFP process, Xerox argued for the system that was in place on the current RFP.

Based upon the ranking system, i.e., points, the content (or lack thereof) of the proposals was not accurately reflected. Vendors will obviously not be as objective about this issue as were the ASD committee members who rated the RFP content. Xerox's comment is not fact-based.

It does not appear that the selection procedure was followed as stated in Addendum #2 (RFP 2003-602 Digital Copier Services). Vendors will obviously not be as objective about this issue as were the ASD committee members who rated the RFP content. Xerox's comment is not fact based.

The selection committee could be biased based upon false information. The allegation appears to be baseless and needs to be more specific.

Frontier Business Systems' Proposal

Areas of non-responsiveness, misinformation, omissions, lack of technical compliance, relevant references and proof sources, and lack of in-place technical support. Xerox, whether intentionally or unintentionally, misquoted the

memory specification for Category 1 machines. Equipment proposed by Frontier Business Systems meets or exceeds all RFP requirements.

Specifications do not meet the published minimum standards. Equipment proposed by FBS meets or exceeds all RFP requirements.

Misleading information emphasized in proposal. FBS provided no misleading information, although much of Xerox's protest information is misleading.

Mr. Niesen stated that his business is highly respected in the community and known to resolve problems because they are onsite. He apologized to the Board if a few items were left out of his proposal. Mr. Niesen summarized his business experience and the background of his company and employees.

Tim Steele asked what the issues of bias were because the matrix previously used was not used in this bid. Greg Niesen responded that he was not sure, but felt they did a good job with the formula used. To totally award the bid on price is wrong; this should be a value bid.

Pam Chenier, Director of Purchasing, reviewed the process used for the proposal issued in early September. It was determined that all bidders met the specifications outlined in the proposal. One irregularity was found with IKON, who had not submitted information on paper weight. They were not considered non-responsive over this irregularity. The committee members went to each site and location, walked through the offices and reviewed demonstrations given by each company. They did their initial ranking, discussed proposals, and then the final ranking was completed.

John Steiner asked if there was a written record on what basis the committee issued their points. Pam Chenier responded that it was the same basis as outlined in the request for proposal, which was based on a number of points by category. Mr. Steiner asked if there was a place to award partial points to a bidder. Pam Chenier responded yes.

Ms. Chenier explained that they look for some kind of a mix in the evaluation process; it is not just a mathematical evaluation. It is based on each evaluator's response, site visits, and machine visits. Ms. Chenier stated that you look at each rater and add all the points of 1-6 and assign to each vendor. Each of the raters felt that FBS did a better presentation than Xerox.

Mike Stephenson stated that the price differential in excess of \$500,000 is based on the difference between Xerox and FBS without taking into account the excess copy counts. It also does not include the last two years of the contract. Mr. Stephenson stated that FBS addressed the responsiveness issue; they did meet the requirements. He noted that the pricing formula was introduced in the prebid. Xerox did not raise an issue of an evaluation matrix; it was not part of the RFP. All committee members thought Frontier Business Systems submitted a superior response.

John Steiner asked Mr. Worthley if he reviewed the proposal deep enough to determine if one was better than another. Mr. Worthley responded no; that was up to the review committee. Mr. Steiner feels there must be some basis for the difference in the documents and asked Mr. Worthley if he looked at the documents for the differential. Mr. Worthley responded that he did not take a detailed look at the proposals.

Mr. Steiner noted that he does find one aspect troubling with the pricing methodology. There is a concern potentially in his view on objective criteria on a 1-5 scale. Mr. Steiner is troubled that there is no documentation on reasons the committee rated the area and the independent reviewer did not review for this. He agrees with Xerox on the technical aspects and the point spread. Mr. Steiner stated that he would be in favor of asking the committee to take another look at the bids using a different scale proving some support for their scale. It could be problematic because the pricing is out to the public.

Jeff Friedman noted that he can see how small differences have been exaggerated, but doesn't see this as sufficient to not move forward with the bid. He further noted that the committee had more than the documents provided; they had site visits and talked with different people. It is all subjective on how you can sell yourself.

Tim Steele is convinced that the process used was a good one, but is concerned over the price. He hopes that the speed of the machine and the capability will outweigh the higher cost.

John Steiner asked if all the proposers knew the scoring on the technical aspect would be 0-5. Pam Chenier responded yes, it was included in Addendum #2, which Xerox waived any objection to.

Jake Metcalfe stated that he appreciates all the work that was done. The arguments were all worthy and no one made any misrepresentations. He noted that a fair decision was made and all requirements were followed.

VOTE:

Ayes: Marks, Kennedy, Steele, Metcalfe,
Friedman, Steiner, Roberts

Nays: None

MOTION PASSED

ASD Memorandum #103 - Approval of Gifted Behavior and Student Learning Plan Strategist Position

It is the Administration's recommendation that the School Board authorize the Superintendent to approve the addition of a Gifted Behavior and Student Learning Plan Strategist position to the special education department. The position will be supported from conversion of a teaching position in the gifted education budget.

ACTION:

Moved by Crystal Kennedy to approve Memorandum #103.
seconded by Mary Marks

Carol Comeau commented that there has been a long-standing need for the gifted students in the Individual Acceleration program. Ms. Comeau stated that they are using an existing position and changing the scope of the position. She asked Jerry Sjolander to give more detail on the new position.

Jerry Sjolander noted that the major focus of the position would be to work with school teams in each IA site with students who are experiencing performance problems due to behavior problems. This person would be available to work with the teachers in the gifted department for IGNITE sites.

Crystal Kennedy expressed a concern with budget cuts and if we are just changing a title or are we adding an administrative position by taking a teacher out of the classroom. Jerry Sjolander responded that this is a position that was held back at the beginning of the year. He sees this as a critical need for the gifted department.

Carol Comeau stated that there have been an increasing number of students moving into the middle and high schools who need the support

to stay challenged. Enid Hunter also noted that the students in the program have unique profiles on social and emotional aspects as well as academic needs. Crystal Kennedy noted that she does not argue the need for the position, but is concerned if this is an additional salaried employee and if we are losing a teacher in the classroom.

Jerry Sjolander responded that it is a reduction in a teaching position, but will give more flexibility to assist teachers within the program who have a concern with students.

Tim Steele stated that he understands the need, but questions if a counseling position with additional understanding of gifted students would be more appropriate. He has a problem with the fact that the ratios are getting larger in the IGNITE program, and is concerned with using a teacher position. He would like to find funds for this position from somewhere other than the classroom.

Jeff Friedman noted that he sees the importance of this position, but is concerned that we may need to use this position to give support to the classroom teachers in the event that budget cuts cause increased class size.

John Steiner noted that it would be very useful to have someone with targeted expertise to address the students' needs. He asked if this person could be used outside of this area. Jerry Sjolander responded that this is not a special education position; it is a regular education position, which is being used in the gifted department.

VOTE:

Ayes: Marks, Kennedy, Metcalfe,
Friedman, Steiner, Roberts

Nays: Steele

MOTION PASSED

H. SUPERINTENDENT'S REPORT

1. ASD Memorandum #114 - Project Status Report

This is a report of activities and project status changes in Major Capital Projects during the period of October 15, 2003 through October 29, 2003.

2. ASD Memorandum #115 - Status Report Submission of Discretionary Grants, First Quarter 2003-2004 School Year

The purpose of this report is to inform the School Board on a quarterly basis of new grants that have been submitted for funding.

Safe And Drug-Free Schools Peer Education Initiatives; to the Alaska Highway Safety Planning Agency, for \$162,361 for a ten-month project. Safe and Drug- Free Schools Program: to extend a six-year peer education effort to reduce youth substance abuse. This project focuses on using media literacy, which is a multi-media student-generated effort that encompasses print, CD-ROM, and broadcast media. The themes address health and personal safety issues relevant to youth, such as teen substance abuse, peer pressure, and drinking and driving. Youth take a leadership role; coordination is provided by peer education advisors. Funds support peer education teams in six high schools, eight middle schools and six charter/elementary schools. The grant also supports a full-time Peer Education Specialist and sponsorship of a Youth Asset Showcase Fair in the spring. This project has been funded.

Title III Immigrant Student Funds; to the Alaska Department of Education and Early Development, for \$40,705 for an eight-month project. Bilingual Education: To provide training for ASD Bilingual/Multicultural Education Program staff on English as a Second Language (ESL) standards. The project is designed also to expand ESL class offerings to immigrant parents, and to initiate a class series to develop parents as partners and advocates in their children's education. This project has not been funded.

Enhancing Education Through Technology; to the Alaska Department of Education and Early Development, for \$143,193 for a 20-month project. Instructional Technology: To support a technology-based reading intervention program at Fairview Elementary School, targeting sixth grade students who are reading at levels below proficiency. The project will provide training for sixth grade teachers in READ 180, a research-based reading intervention program. The project also will develop "literacy leaders" for each grade level and will provide schoolwide professional development in technology integration and literacy. This project has been funded for \$134,555.

Advanced Placement Incentive Program Grant; to the Alaska Department of Education and Early Development, for \$67,159. Curriculum and Instructional Support: To provide AP training to an expected 100-150 ASD middle school and high school teachers. The project supports a June 2004 College Board institute in Anchorage. This project has been fully funded.

Innovative Community Grants for FASD Prevention and Intervention Services; to the Alaska Department of Education and Early Development, for \$49,906 for a 21-month project. Special Education: To provide Fetal Alcohol Syndrome Disorder (FASD) training for schools by training site trainers, and by working with Southcentral Foundation and other agencies on FASD education, prevention, and intervention.

FAS Training Grant; to the Alaska Department of Health and Social Services, for \$4,382 for a 10-month project. Special Education and Parent Resource Center: To support Fetal Alcohol Syndrome training for administrators, teachers, related services personnel, teacher assistants, bus drivers, and parents. Grant funds will purchase presentation equipment and software. This project has been fully funded.

Mini-grants

SHOPA Foundation for Education Excellence, Kids in Need Grant; Orion Elementary School: *Furniture Facelift*. Submitted for \$349.

Partnership Grants

Healthy Kids, Healthy Minds; to the Municipality of Anchorage, Parks and Recreation Department, for \$30,000 for a five-month project. Anchorage Community Education Association, in partnership with the Anchorage School District's 21st Century Community Learning Centers Program: To develop a recreational standards-based program that will be incorporated into the after-school curriculum.

Community-Based, Culturally-Responsive Parent Information in the Mountain View Neighborhood of Anchorage, AK; to the U.S. Department of Education, for \$407,051 for a 36-month project. Child Care Connection and Mountain View Elementary School: To

promote early literacy, learning, and development through a parent information and resource center for Mountain View families. This project will strengthen linkages among parents, childcare providers, elementary teachers, and the community.

3. ASD Memorandum #116 - Smaller Learning Communities Update

The main goals of Smaller Learning Communities (SLC) are to personalize education for all students, increase educational opportunities and academic achievement for all students, and to create a safe and welcoming environment at school. Our high schools are large, and it is too easy for students to remain anonymous or get lost in the crowd. By dividing the large school into smaller parts (houses), we will be able to better serve all students. We want to retain the advantages of being large schools, while gaining some of the benefits that smaller schools have.

The major project for first semester is the November 11th inservice. Nationally acclaimed speaker, Carl Boyd, is scheduled to speak about the importance of teaching all students. His message to all 750 high school teachers is that "no one rises to low expectations." The remainder of the day will be spent with presentations from teachers at each of the high schools. Each school is responsible for 10 different presentations. Each presentation will highlight some of the best programs or initiatives at their school. Teachers will have the opportunity to select and attend four presentations out of the 60 total. The idea behind this is to share success stories among all high school teachers so they don't have to constantly reinvent the wheel. It will also show that some of the same ideas are being implemented across the District. Teachers will discover who is doing similar projects in other schools, fostering collegiality and networking between schools.

The professional development conference in March 2004 is the main project for second semester. The SLC grant has partnered with National School Conference Institute and Learning 24/7 to put on a conference March 18-20, 2004, at the Egan Center. The conference is being publicized nationally, but focuses on the needs of the six Anchorage high schools. The main focus of the conference is on better personalizing education for all students. The conference fees for all high school teachers at the six

comprehensive high schools served by the grant are being paid through the grant. The keynote speakers are all nationally known speakers, as are most of the breakout session speakers.

Each of the six high schools continues with the implementation of the planning that has gone on for the past three years. Key characteristics of smaller learning communities in which each high school is engaged are:

- Teaming: Each school is looking at adding or expanding teaming efforts within their school. Most include language arts and social studies at the ninth and tenth grade level. Some include other subjects. The main idea is to help make the curriculum more relevant to students.

- Outreach: There are a variety of outreach activities being pursued at each school to better inform faculty, staff, students, parents, and community members. These activities include student retreats, PTSA meetings, parent group meetings, faculty meetings, student forums, lunch discussions with students, meetings with eighth grade students and student government discussions.

- Coordination with curriculum specialists: Schools are trying to combine efforts to better meet the intent of No Child Left Behind, the Alaska State Standards, the Board Goals, and the High School Division goals.

Mike Henry mentioned that Mr. Carl Boyd will be coming to make a presentation at West High School auditorium on November 11. Carol Comeau encouraged the Board to drop in to the inservice at West High; the middle school inservice at Mirror Lake; and the elementary inservice for first grade teachers planning phonics at Jewel Lake Baptist Church, Boniface Training Center, and Eagle River Elementary School.

Crystal Kennedy asked for a comment on the smaller learning communities and if there was a downside to the program. Carol Comeau responded that she suspects it is the change process that is occurring. Counselors have always been housed together and now they are dispersed in the different houses. It was difficult at first, but now the counselors really like it.

I. PERSONS TO BE HEARD ON NON-AGENDA ITEMS

J. COMMUNICATIONS & SCHOOL BOARD COMMENTS

John Steiner congratulated Mike Martinson, Director of Music, for his performance as a tuba soloist at the Anchorage Symphony.

Macon Roberts noted his concerns with public scrutiny on the Board's vote for the higher bidder on the copier contract. He further commented that the bid put forth was quality and we must look at the potential savings we may experience. Mr. Roberts noted that even though we are in financial crisis, the lowest price is not always the best. He stated that the other side had ample opportunity to challenge the technical side of this bid award.

Carol Comeau asked the Board to refer any questions they receive to the Administration. She feels that the staff did a very ethical job on this bid award and there was no violation of the policy or procedures. Ms. Comeau feels very comfortable with this award. She noted that there have been significant issues with the existing equipment in our schools; this is a fresh start.

John Steiner noted his support of Mr. Robert's comments. He further noted that it doesn't take much down time before you recognize a savings.

Mary Marks thanked the Board for accepting her nomination to the AASB. She promised to work hard for our District and the State of Alaska.

K. EXECUTIVE SESSION - (PERSONNEL/FINANCE/NEGOTIATIONS/LITIGATION)

L. ADJOURNMENT

The Regular Meeting of November 10, 2003 unanimously adjourned at 11:10 p.m.

Jake Metcalfe, President

Mary Marks, Clerk

Mary Kay Sambo, Recording Secretary

Date Minutes Approved