

L.A. School iPad Deal With Apple, Pearson Critiqued in Board Report

By Sean Cavanagh on August 29, 2014 8:49 PM

The Los Angeles Unified School District has released an **internal school board review** that offers an at-times stinging review of the process followed by school system officials in selecting Apple and Pearson as vendors for the district's controversial, \$1 billion technology project.

The draft report was issued by an ad-hoc committee chaired by school board member Monica Ratliff, which over the course of ten months heard more than 27 hours of presentations from district staff connected with the tech project. The L.A. district's effort began with the intent to equip all students and staff in the nation's second-largest school district with iPads.

The document was released this week in the wake of the district's abrupt decision to **terminate its contract** with Apple and Pearson and re-bid the work.

That decision, announced Aug. 25 by Superintendent John Deasy, came after **reports** surfaced revealing that the schools chief and a then-top deputy **exchanged e-mails** with Apple and Pearson officials before the bidding process started. Deasy, in various media reports, has said nothing was improper about those discussions, adding that those talks were connected to a pilot technology project, not the broader digital implementation.

Among its many findings, the report questions some of the restrictions and requirements put on vendors in district's request for proposals, which could have ended up favoring certain vendors. Apple, the maker of iPads, eventually won the contract, along with Pearson, its chosen

subcontractor for developing curriculum to come preloaded on those devices.

The review is not uniformly critical of L.A. officials' decision-making, noting that many of their choices about how to structure their RFP and plan the technology process made sense, given the project's size and deadlines.

But the document questions several aspects of the project, including the overall decision to impose one type of digital tool across the entire, 640,000-student district.

"While LAUSD's choice to seek a single device was not unreasonable in light of the assumed constraints," the report says, "[the district's] student body is far from homogenous, and its technology needs vary from one grade level or school type to another and from one activity to another...No evidence was offered that tablets or iPads are the best device to meet the needs of all LAUSD's students."

Education Week has probed several aspects of the massive, high-profile tech purchase. My colleague Ben Herold has reported extensively on the questions the inclusion of Pearson's curriculum within the iPads, given that no one from any of the involved parties would say how much the curriculum would cost, that the district's license to use the materials will expire after just three years, and that the **curriculum was purchased and rolled out to schools despite containing just a few sample lessons per grade.**

The board committee report answers the cost question: Of the \$768 the LAUSD paid for each of the 30,000 iPads that were purchased as part of the project's first phase, between \$150 and \$300 went to Pearson for the incomplete curriculum. That works out to a total of somewhere between \$4.5 and \$9 million.

The report was also harsh in its assessment of the curriculum's readiness for use in schools: During a closed-door presentation to board members

and other on March 19, 2014—eight months after the contract was awarded— it was found that Pearson's winning curriculum, even after a year of development, "did not appear to satisfy LAUSD's stated minimum requirements" because "there were numerous lessons and even entire units missing across every grade level."

The committee also concluded that "there was no indication that [the Pearson curriculum] was highly interactive, computer adaptive and fully digital" and referenced allegations from a former LAUSD board member that a good portion of the content was adapted from existing Pearson materials and not developed specifically to align with the Common Core State Standards.

Other conclusions reached by the L.A. report's authors:

- Some provisions and requirements put on the district's RFP may have restricted certain vendors from competing for the lucrative job, or created the appearance of cutting them out. Those include requirements for vendors having past experience implementing technology with districts of certain sizes; and requirements for having content originally designed for the Common Core State Standards.

"LAUSD should be careful to avoid including provisions in RFPs that could appear to be devices to manipulate the outcome," the report states, "and do not appear to tightly adhere to the needs for which it is procuring."

- Similarly, the district's decision to reduce the required warranty period from five to three years only after the field of bidders had been narrowed from 13 to 3 may have given an unfair advantage to some vendors. *Ed Week* first reported on this last-minute rule change in the LA bidding process in September 2013, when district facilities director **Mark Hovatter told Herold in an interview** that nearly all of the bidders saw a five-year warranty as a "significant risk" and had "basically doubled their price" as a result.

"An inherent risk in making such a change in specifications—after the field has already been reduced to three finalists—is that it opens the door to the appearance of manipulation," the report states.

- The district's process for paying for the technology through bond funds drew controversy, but district officials have pointed in response to a legal opinion from the district's independent bond counsel that drew favorable conclusions about that practice. The review did not find evidence to question the legitimacy of the bond-financing decision, but did say that the bond counsel's decision was based on a number of assumptions that may or may not hold true.

The district needs to act with greater transparency and establish a plan for funding the tech project after the devices and licenses purchases with bond proceeds "become obsolete or expire," the review found.

- The report warns that the district should take stronger steps to avoid actual or perceived conflicts of interest during the procurement process.

A few media accounts focused on Deasy's ownership of Apple stock and his appearance in a 2012 Apple commercial, the report notes. Another top district official, Jaime Aquino, was a former employee of America's Choice, a research company bought by Pearson in 2010. The report, however, notes that Deady recused himself from the process and Aquino had no influence in choosing Pearson, according to a district facilities official cited in the document.

But the document also notes that an unnamed member of a panel reviewing the vendor proposals owned a "moderate amount" of Apple stock, did not disclose that information, and was allowed to remain on the panel. The report says the district should have "zero-tolerance" for reviewers having any shareholdings or interests in vendors, and should avoid even the appearance of conflict.

- Despite some accusations floated at the time, the per-device cost the district paid, \$768, was less than the retail prices of iPads,

when all the features include in the school product—the Pearson curriculum, case, warranty, pre-loaded apps, and other features—were factored into the price.

But the district essentially buried this fact through a lack of communication and transparency, the report found, leaving itself open to criticism.

Check back on Digital Education for more coverage of the L.A. technology project.