

Delivered **VIA E-MAIL**  
Name: John Oswald  
Title: Vice President, ETS K-12 Assessments  
Company: Educational Testing Services  
Email: [JOswald@ets.org](mailto:JOswald@ets.org)  
Date: August 22, 2016

**BETWEEN:** The Texas Education Agency, ("TEA"), a Texas State Agency, located at 1701 North Congress Ave, Austin, TX 78701

**AND:** Educational Testing Services, ("ETS"), a nonprofit company with a Texas Office located at 400 West 15<sup>th</sup> Street, Suite 700, Austin, Texas 78701.

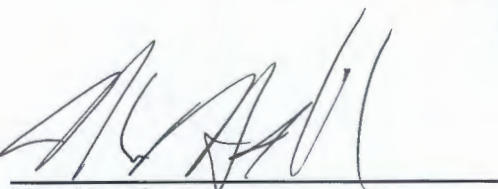
WHEREAS, TEA is officially notifying ETS of several incidents where Contractor failed to meet the Contract Service Level Agreement (SLA) in the Contracted Services for Student Assessment Contract #3317. Specifically, TEA has assessed liquidated damages in the amount of \$5,671,165 as calculated below.

Liquidated Damages Assessment for 2015 – 2016 Test Administrations	
Category	Liquidated Damages
December and March Test Administrations	\$1,416,165
Evaluation of Services and Products	\$100,000
Precoded Answer Documents	\$50,000
ZZCruse	\$50,000
March STAAR 5 and 8 Reporting	\$10,000
May End-of-Course Reporting	\$1,067,000
May STAAR 5 and 8 Retest Reporting	\$485,000
May STAAR 3-8 Reporting	\$868,000
Consolidated Accountability File	\$1,500,000
Potential Data Exposure	\$75,000
Service Interruptions of Online Testing	\$50,000
<b>Total</b>	<b>\$5,671,165.00</b>

TEA requests payment of the full amount be paid within 30 days from the date of this letter. Please contact Norma Barrera, at [norma.barrera@tea.texas.gov](mailto:norma.barrera@tea.texas.gov) if you have any questions.

Payment shall be payable to the Texas Education Agency and be submitted to the following address:

**Texas Education Agency-MISC  
P. O. Box 13717  
Austin, Texas 78711**



Mike Morath  
Commissioner

cc: Contract File