



Date: December 17, 2013

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director, Office of Economic and Workforce Development
Subject: Contract between the City of Durham and Educational Data Systems, Inc. to provide Workforce Investment Act (WIA) Adult and Dislocated Worker services

Executive Summary

The purpose of this item is a contract between the City of Durham and Educational Data Systems, Inc. (EDSI) from January 21, 2014 through June 30, 2014 in an amount not to exceed \$200,000 for the purpose of providing Workforce Investment Act (WIA) Dislocated Worker services for 60-85 WIA eligible dislocated workers including the Work Experience services for 35-50 dislocated workers from within the North Carolina Institute of Minority Economic Development (NCIMED) pilot telecommunications and energy training program. EDSI will sub-contract to NCIMED as employer of record for the Work Experiences (WEX) opportunities within the pilot telecommunications and energy training program.

Recommendation

Based on the North Carolina Department of Commerce, Division of Workforce Solutions, Local Area Issuance No. 2009-10, Section C. 2, “the use of sole sourcing for emergency situations should be infrequent and for limited time periods (i.e., reflecting the emergency)”. This language is consistent with Section E.3. of the Finance Policy 505, whereas the City Manager may waive the advertising provisions delineated under this policy, if determined to “be in the best interest of the City”. The Office of Economic and Workforce Development staff recommends that City Council authorize the City Manager to execute a sole source contract with Educational Data Systems, Inc. (EDSI), in order to provide additional Dislocated Worker (DW) services and Work Experience (WEX) training services for a total contract amount not to exceed \$200,000 and to end on June 30, 2014.

The need for a sole source contract is brought on by the recent recommendation from the Durham Workforce Development Board to contract with EDSI. This recommendation changed the decision of GMSI to enter into the Sixth Amendment with the City of Durham.

Background

On December 2, 2013, the Durham City Council approved a Sixth Amendment to the contract between the City of Durham and General Management Solutions, Inc. after the RFP process outlined below, and the recommendation to contract with EDSI at the December 13, 2013 Durham Workforce Development Board meeting, General Management Solutions, Inc. no longer feels they will be able to maintain staff capacity in order to implement the Sixth Contract Amendment. Therefore, GMSI did not sign the Sixth Amendment. Due to the

recommendation of EDSI for the Adult and Dislocated Worker Services from the Durham Workforce Development Board, OEWD staff recommends contracting with Educational Data Systems to provide a short term emergency contract for the Dislocated Worker Contingency Fund services.

Due to the reduction of the Durham Workforce Development Board's formula allocation by \$191,076 for fiscal year 2013 allocated by the State of North Carolina, the Durham Workforce Development Board applied for and received on October 10, 2013, Dislocated Worker Contingency Funds for the purpose of providing additional short-term occupational skills trainings.

In addition, the NC Department of Commerce Division of Workforce Solutions awarded a one-year Telecommunications and Energy Jobs Training Pilot Demonstration grant to the Durham Workforce Development Board. The City of Durham contracted with NCIMED to serve as the grant's sub-recipient/project manager. NCIMED will facilitate services to 50 adult and dislocated workers who reside in Durham. Of the 50 participants that will be served, 30 will receive training in the Broadband Telecommunications sector; 10 will receive training for the Commercial Driver's License Class A for Duke Energy linesman positions; and 10 will receive specialized training in various other positions at Duke Energy. The training for the linesman ends on December 10, 2013, but Duke Energy only recruits for these positions two times a year (August and April). The recruitment timeframe creates a 4 month gap where participants could receive experience making them more marketable in the field.

The WEX opportunity will provide essential work training/experience for the eligible dislocated worker participants at industry-based employers. Given the fact that most participants are unemployed and others have expired/expiring UI benefits, the majority have little to no sources of income. The WEX program will serve in a dual capacity by providing some means of income and by allowing the participants to receive hands-on training in the telecommunications and/or energy sectors.

As a result of the Request for Proposals (RFP) that closed on October 14, 2013, the Durham Workforce Development Board (DWDB) received five responses to the Adult and Dislocated Worker RFP. The respondents to the Adult and Dislocated Worker RFP included: ManpowerGroup, Educational Data Systems, Inc., General Management Solutions, Inc., Ross Innovative Employment Solutions, and Business Interface, LLC. Notice of this RFP was made through advertisements in the Durham Herald Sun, Que Pasa, Triangle Tribune, The Carolina Times, and The News and Observer. The RFP was also announced via the City of Durham Purchasing Department's *Current Bid Opportunities* and the Office of Economic and Workforce Development's website. The Adult and Dislocated Worker RFP task force allowed for potential responders to ask questions and receive answers through the bidder's conference held on September 11, 2013 at the OEWD office. Additional questions from bidders were accepted until September 23, 2013, and responses were provided electronically and posted to the OEWD website.

After approval of the five responses by the City of Durham's Office of Equal Opportunity and Equity Assurance Department, the RFP Task Force reviewed each response. Each task force member was provided a copy of the RFP responses, and the responders were provided the opportunity to present to the task force on November 5, 2013. After the five presentations, task force members scored the responses based on the pre-designed scoring matrix allowing for a possible total of one hundred and thirty points. The recommendation to

approve GMSI was made at the Durham Workforce Development Board meeting on November 21, 2013. This recommendation was not met with a motion and was sent back to committee for further discussion. The second task force meeting was held on November 26, 2013 and the current recommendation was finalized.

The respondents were reviewed for their ability to provide effective and efficient WIA Adult and Dislocated Worker Services including the provision of:

Service Delivery and Performance

Using the State of North Carolina's new integrated Service Delivery model, this Request for Proposal solicited a dual role of services (WIA and Wagner-Peyser) with the core function being WIA adult and dislocated worker core and intensive services at the Durham Career Center and designated satellite sites referred to in the program overview. The services to be provided under this proposal included assessment, intake, case management, development of an individual employment plan, placement, and follow-up for all eligible adults and dislocated workers seeking services at the Durham Career Center. Program staff will be required to provide the following:

- Assistance with enrollment and direction to services within Wagner-Peyser;
- Determination of eligibility to receive assistance under Title I-B of the WIA;
- Outreach, intake, and orientation to the information and other services available through the Integrated delivery system;
- Initial assessment of skill levels, aptitudes, abilities and need for supportive services (does not include testing);
- Labor market information;
- Intensive Services as defined by WIA regulations;
- Vouchers for supportive services such as personal protective equipment, tools and/or transportation;
- Referrals to other intensive, supportive and WIA training services, as needed;
- Job referral and placement assistance;
- Job development activities that will help increase employment opportunities for WIA participants; and
- Follow-up services after exit for participants placed in employment in need of additional assistance to retain employment.

Federally Mandated Minimum Intensive Services

Per WIA regulations, the following are minimum Intensive Services to be provided:

- Comprehensive and specialized assessment of skill levels and service needs
- Development of an individual employment plan
- Group Counseling
- Individual counseling and career planning
- Job Referral and placement assistance
- Case Management
- Short-term pre-vocational services

Locally Identified WIA Service Needs

In addition to the mandated services above and based on locally identified needs, the DWDB solicited the following Case Management, Placement and Follow-Up services in this RFP:

- Continued contact with and support of WIA enrolled customers at all stages of the case management process
- Development of an individual employment plan for all program participants.

- Collection of eligibility and data validation documentation as required by state and local area policy
- Maintenance of participant records in accordance with local area policy
- Specialized assistance with seeking, finding, and maintaining quality employment
- Referrals to other programs for which the participant is eligible
- Writing of supportive-services vouchers to vendors on the DWDB-approved list
- Referrals to Work Experience, On-the-Job Training and other subsidized employment opportunities
- Writing of training vouchers to participant-chosen training providers on the eligible training provider list
- Follow-up with customers who enter unsubsidized employment, including referrals to supportive and workplace services, as needed, to overcome barriers to retention
- Staff must be able to provide a budget analysis as part of assessing client needs
- Data entry of client contact and other required information into the State of North Carolina's NC Workforce Solutions Management Information System (NCWORKS.GOV)
- Job development with local businesses for WIA participants and On-The-Job training opportunities
- Provide partner agencies with releases of information (disclosure agreement), as needed;
- Share relevant participant information at the time of referral; and
- Maintain regular contact with service providers regarding the participant attendance and progress.
- One case manager must be bi-lingual in English and Spanish; if this becomes impossible, other provisions must be immediately made to ensure language access for speakers of other languages.

Issues and Analysis

With the recommendation to contract with EDSI made at the Durham Workforce Development Board meeting on December 13, 2013, GMSI determined that they would not have the ability to provide the Dislocated Worker Contingency services outlined in the Sixth Amendment. The Dislocated Worker Contingency funds are provided for a time period that ends in on June 30, 2014. Funds that are not spent by this date must be returned to the State of North Carolina Department of Commerce. OEWD has planned to utilize the funds with the Pilot Telecommunications Training program being implemented by the North Carolina Institute for Minority Economic Development. The funds will provide Work Experience opportunities for program participants that are eligible as Dislocated Workers. In order to not delay the timeline for this program or the quality of service, and due to the service dates of the funds and the need to be fully spent by June 30, 2014, OEWD is recommending a sole source contract due to the emergency need presented by the new circumstance.

Alternatives

The City Council could elect not to sole source contract with EDSI leaving the City without a provider of the services outlined in the dislocated worker program, and forcing the City to advertise for proposals or directly manage the program until a new provider is identified. This would require the Office of Economic and Workforce Development to directly manage the program which is inconsistent with the language in the federal Workforce Investment Act that states that WIA services should be provided under contract or voucher.

The City Council could also elect to reduce the amount of the proposed contract with EDSI which could result in fewer services provided to WIA eligible dislocated workers and/or result in less individuals being served from January 21, 2014 – June 30, 2014.

Financial Impact

EDSI would be approved for payments of up to \$200,000. Funds for this contract will have no impact on the City of Durham General Fund. Funds for this contract are paid with WIA Dislocated Worker dollars that are received by OEWD from the United States Department of Labor through the North Carolina Department of Commerce *Division of Workforce Solutions* to the City and the DWDB.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

Attachments

Workforce Investment Act Contract between the City of Durham and Educational Data Systems, Inc. (EDSI) of Dearborn, MI.