



Date: June 16, 2014

To: Durham Workforce Development Board (DWDB)

From: Kevin Dick, Executive Director

Subject: Recommendation to approve the Second Amendment to Workforce Investment Act Contract Between the City of Durham and Educational Data Systems Incorporated (EDSI) from July 1, 2014-June 30, 2015 in an amount of \$721,000.

Executive Summary

This memorandum outlines the recommendation to amend the contract between the City of Durham and Educational Data Systems, Incorporated (EDSI) for the purpose of renewing Adult and Dislocated Worker services with the contractor for one year with an estimated amount of up to \$721,000 based on fund availability from July 1, 2014- June 30, 2015. The second amendment includes an option to renew for up to two subsequent years subject to performance and funding availability. The amended contract and funds would provide Workforce Investment Act (WIA) Adult and Dislocated Worker services for up to 750 WIA-eligible Adult and Dislocated workers.

Approval of this renewed contract will allow uninterrupted services to be provided to Workforce Investment Act (WIA) adults and dislocated workers.

Recommendation

The Office of Economic and Workforce Development (OEWD) recommends that City Council authorize the City Manager to execute a contract amendment to the original contract with Educational Data Systems, Incorporated (EDSI), in order to provide uninterrupted adult and dislocated worker services from July 1, 2014 through June 30, 2015 and increase the amount of the contract by \$721,000 for a total contract amount not to exceed \$1,001,000.00 for a total contract amount not to exceed \$1,001,000.

Background

As a result of the Request for Proposals (RFP) that closed on October 14, 2013, OEWD and the Durham Workforce Development Board (DWDB) recommended, and was approved by the Durham City Council on January 21, 2013, a three month contract between the City of Durham and Educational Data Systems Incorporated in the amount of \$280,000, for the purpose of providing services to Adult and Dislocated Workers between April 1, 2014 and June 30, 2014.

On January 21 the City Council also approved a contract Between the City of Durham and Educational Data Systems Incorporated for the purpose of providing additional Dislocated Worker (DW) services, On-the-Job Training (OJT) and Work Experience (WEX) training services for a total contract amount not to exceed \$366,388 from January 21, 2014 through June 30, 2014.

Over the last four and a half months, EDSI has proven their ability to provide effective and efficient WIA Adult and Dislocated Worker Services and shown the ability to get up to speed quickly with the provision of service delivery and performance. Using the State of North Carolina's new Integrated Service Delivery model, EDSI has served 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.

The Wagner-Peyser services are made available to the general population of job seeker, whereas The Workforce Investment Act services are provided to WIA federally eligible clients and allows for additional business services to be provided including On-the-Job Training job placement, and Work Experience and other activities designed to help clients overcome barriers to success and to achieve self-sufficiency.

EDSI has demonstrated an ability to make connections quickly in the community, with businesses, and through DWDB board members and has closed five On-the-Job training contracts since being awarded the contract in January. EDSI has also provided six Work Experience (WEX) opportunities and is working with NCIMED to complete approximately ten additional in our technology pilot program. A work experience provides the client employment at a company for generally three months depending on the skills gap. The client receives training while working that will assist them in overcoming the skills gap. EDSI pays the wages for the work experience based on the timesheets turned in by the company and according to the worksite agreement.

In addition, EDSI developed a plan to utilize CDL training in partnership with Carolina Trucking to create a 4 week training program, paired with a Work Experience, which will quickly allow the interested unemployed to return to work. This concept could be a model for Durham's use of the dislocated worker contingency funds in the future. Further, they have integrated themselves into the Career Centers by providing orientation sessions, conducting intake, enrollment, and providing case management activities for those that need services.

Issues and Analysis

OEWD recommended and the City of Durham granted a short-term (three month) contract between the City of Durham and EDSI for the provision of Adult and Dislocated Worker services. The reason for the short-term contract was that the State of North Carolina, Department of Commerce requested that the DWDB extend the previous service provider's contract by six months in order to allow for the implementation of the integrated service delivery. The extension created a need for a shorter contract immediately following due to the State of North Carolina, Department of Commerce's allocation time frame typically in May-June. The shorter contract and the renewal of services realigned the contract period with the program year and provided Adult and Dislocated Worker services for three months from April-June. The realignment of the contract period will allow the contracts performance to be tracked in the same periods as the State of NC tracks performance.

A provision was made for the three month contract to allow for a renewal of the contract for two years pending the performance of the three month contract.

Currently, EDSI is in the 2nd month of the contract and would need additional time to provide performance outcomes in the program. In addition, time is necessary to fully realize the implementation and development of the programs that EDSI indicated would be provided in Durham through their RFP.

EDSI proposed implementing in Durham:

- Heroes- (Helping Employ and Remove Obstacles for Exemplary Service members)- transition program for veterans to work.
- HireOne initiative- (encouraging all Durham businesses to hire one unemployed person).
- Backpacks to Briefcases- (helps recent college graduates to secure relevant internships leading to permanent employment in their chosen field).
- Jumpstart- Three tracks (Beginner, Intermediate, Advanced) Array of workshops that prepares the individual for employment.
- Will assist Durham Workforce Development Board and Career Center staff in using the value streams mapping to define processes. EDSI will provide training to the Durham Area.

Alternatives

The City Council could choose to set aside the recommendation requiring OEWD to release a new RFP and identify a new provider for the services. *However, during the RFP process, the City of Durham and OEWD would have to request from the state the ability to be the temporary provider of the programs. This could cause interruptions to the flow of services to businesses and job seekers.

Financial Impact

EDSI would be approved for payments of up to \$721,000. Funds for this contract will have no impact on the City of Durham General Fund. Funds for this contract are paid with WIA Adult and 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

Second Contract Amendment to Workforce Investment Act Contract Between the City of Durham and Educational Data Systems Incorporated to provide WIA Adult and Dislocated Worker Services containing _14___# pages.