

CITY OF LOS ANGELES

CALIFORNIA

ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT

JAN PERRY
GENERAL MANAGER



1200 W. 7TH STREET
LOS ANGELES, CA 90017

ERIC GARCETTI
MAYOR

DATE: December 12, 2018

TO: Honorable Eric Garcetti, Mayor,
Honorable Heb Wesson,
Council President, and
Honorable Council Members

c/o City Clerk
Room 395,
City Hall

FROM: Jan Perry, General Manager
Economic and Workforce Development Department

SUBJECT: REQUEST TO PLACE THIS LETTER AS COMMENT ON THE RECORD FOR ITEM # 28 ON TODAY'S COUNCIL AGENDA REGARDING COUNCIL FILE 18-1092, WORKFORCE DEVELOPMENT SERVICES / ADULTS AND DISLOCATED WORKERS / AMERICAS JOB CENTER OF CALIFORNIA OPERATORS (AJCC) / CITY WORKSOURCE CENTER / REQUEST FOR PROPOSALS (RFP) / FUNDING RECOMMENDATIONS / SELECTION OF CONTRACTORS

This letter is a request for reconsideration of the report from the Economic Development Committee regarding Council File 18-1092, in which the Economic and Workforce Development Department (EWDD) was instructed to extend the existing America's Job Center of California Operators (WorkSource Center) contracts for six months, and to work with the City's Chief Procurement Officer, City Attorney, and Chief Legislative Analyst to draft a new WorkSource Center RFP, and submit the draft RFP to Council for approval.

BACKGROUND

Workforce Innovation and Opportunity Act (WIOA) regulations require One-Stop (AJCC) operators be procured at minimum every four years. Due to statutory requirements, the competitive selection of One-Stop operators in all Local Areas cannot be waived (U.S. Department of Labor Training and Employment Guidance Letter 15-16) AJCC operators were last procured in 2013 for the four Program Years (PYs) 2014-15, 2015-16, 2016-17, & 2017-18. An RFP was initially issued on January 25, 2018, with proposals due on March 8, 2018, for services to begin July 1, 2018.

On June 7, I notified the Workforce Development Board (WDB) that I was made aware of technical issues with the current procurement, and therefore requested six-month extensions of all PY 17-18 WSC contracts to allow time for withdrawal of the RFP and subsequent reissuance of a new RFP.

On July 16, 2018, a meeting was convened in City Hall by Michael Owh, the City's Chief Procurement Officer, to debrief on the initial procurement and to discuss possible improvements for the reissuance of a second RFP for WorkSource Center (AJCC) operators. In attendance were the following individuals: Elena Hoffnagle and Hann Azemati (members of Mr. Owh's staff), Workforce Development Board Executive Director Greg Irish, Deputy City Attorneys Chris Lee and Regina Mills, Lisa Salazar from the Mayor's Office, and EWDD Staff Member Chibuzo Okafo. assigned by me to lead EWDD's efforts in reissuing a new Request for Proposals (RFP) and in conducting all aspects of the second procurement.

Mr. Owh suggested a number of improvements to the RFP and committed resources and the know-how of his office to assist EWDD successfully complete the new procurement. All of Mr. Owh's recommendations were incorporated into the second RFP.

A new procurement team was constituted and a "firewall" between this new team and the prior procurement team was established to maintain the integrity of the procurement process. In conjunction with the City's Chief Procurement Officer, the RFP template was reexamined and revised to ensure fair and open competition. The revised RFP was issued on August 27, 2018. Proposals were due on Tuesday, October 9, 2018. Each proposal was required to cover one of the seven City Area Planning Commissions: East, South, Central, West, Harbor, South Valley, and North Valley. Proposers could submit no more than two proposals.

Proposal Narratives were reviewed and rated by teams consisting of workforce professionals from outside of the City and County of Los Angeles. Each team was assigned one or more of the Area Planning Commission's proposals to review. Past performance relative to numbers served, job placements, earnings, and trainings were rated using hard data. Budgets were analyzed to ensure cost reasonableness. Based on these reviews, proposals were scored on a one hundred point scale.

Available WIOA funding for Adult programs has dropped from \$27.7 million in PY 2014-15, to \$23 million in PY 2018-19, limiting the amount of funding available for the AJCCs. As it was felt there were insufficient WIOA funds available to continue to support a system of 16 WSCs, on October 21, 2018, as part of the Workforce Development Boards Quarterly Joint Board and Youth Council Meeting, EWDD staff sought Board and Youth Council members' input on determining how to reduce the number of AJCCs from 16 to 14, while ensuring that residents of communities of greatest need, had easy access to workforce development services. Members were provided with scenarios for reducing the number of centers based on the Human Development Index, a measure that looks at poverty, access to education, and health. At that time the Economic and Workforce Development Department recommended closing of one of the centers located in Chatsworth, and presented the Board and Youth Council with a choice of either closing a center in Central or South Los Angeles, as these Area Planning Commissions had the greatest amount of centers.

The Board and Youth Council raised a number of concerns regarding these recommendations, chief among them were:

- The closing of a center in the San Fernando Valley as there currently are only four centers located within the valley;

- The use of the Human Development Index rather than unemployment and poverty data, which is used by both the US Department of Labor, and the State when determining WIOA funding allocations; and
- Not considering maintaining 16 centers at reduced funding.

In response, unemployment and poverty data was analyzed for each Area Planning Commission. Three recommendations were prepared and presented to the Workforce Development Board's Executive Committee on November 14, 2018:

- Fund 14 centers, eliminating the two centers located in Community Planning Areas with the highest Human Development Indices
- Fund 14 Centers based on each Area Planning Commission's relative share of unemployment and poverty.
- Funding 16 centers at reduced levels, the number of centers in each Area Planning Commissions Area Planning Commission based on the relative share of unemployment and poverty.

I made a motion that the WDB Executive Committee approve the third scenario funding 16 centers. In the motion for the WDB to approve the recommended proposers and funding amounts, I stipulated that as additional funding is identified, EWDD shall make every effort to balance funding between the AJCCs.

It should be noted the absence of an approved procurement at this point continues to place the City out of compliance with WIOA regulations, and may jeopardize current and future funding as well as the City's ability to apply for and receive any additional funding.