



# Agenda Report

October 29, 2018

**TO:** Honorable Mayor and City Council

**FROM:** Office of the City Manager

**SUBJECT: APPROVAL OF A CONTRACT IN AN AMOUNT NOT TO EXCEED \$1,000,000 BETWEEN THE CITY OF PASADENA, ACTING AS AGENT FOR THE FOOTHILL WORKFORCE DEVELOPMENT BOARD, AND THE SOUTH BAY WORKFORCE INVESTMENT BOARD, INC. TO PROVIDE INDIVIDUAL TRAINING ACCOUNT SERVICES**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines per Section 15061 (b)(3);
2. Authorize the City Manager to enter into contract between the City of Pasadena (acting as an agent for the Foothill Workforce Development Board) with the South Bay Workforce Investment Board to provide Individual Account Training services in an amount not-to-exceed \$1,000,000. Neither Competitive Bidding nor Competitive Selection are required pursuant to City Charter Section 1002(H) and Pasadena Municipal Code Section 4.08.049(A)(3), contracts with other governmental agencies.

## **BACKGROUND:**

Under the federal Workforce Innovation and Opportunity Act (WIOA), most vocational classroom training must be provided through vouchers known as Individual Training Accounts (ITAs). The State of California has established a policy that requires Local Workforce Development Boards to develop procedures for accepting applications of ITA training providers, contracting, payment, and monitoring of performance. The Foothill Workforce Development Board ("Foothill WDB") represents a consortium of six cities (Pasadena, Arcadia, Duarte, Monrovia, Sierra Madre, and South Pasadena). Under the Foothill WDB program, ITAs are issued only to job seekers that reside in or were laid off from employers that were located in one of the six consortium cities.

In accordance with state policy, Local Boards may authorize a single Local Board to act on their behalf in making determinations for initial and/or subsequent eligibility of training providers. The South Bay Workforce Investment Board ("South Bay WIB") is the Local Board in the Los Angeles County Area that has acted on the behalf of local workforce development areas, including the Foothill WDB for the past sixteen (16) years. The scope of services under the proposed contract with South Bay WIB that align with the state's requirements include:

- Accepting applications from training providers to be listed on the training provider list and vetting the applicants ensuring they:
  - meet the state's minimum performance standards
  - provide their BPPE Annual Report
  - provide evidence of their reported outcomes
- Processing of ITA payments to training providers on behalf of Foothill WDB participants;
- Maintaining a system for determining training provider eligibility;
- Developing a contract with each training provider;
- Evaluating and monitoring the quality of ITA training provider services annually;
- Providing Foothill WDB with electronic access to the approved lists and performance data for each listed provider; and
- Developing, administering, and maintaining a system for investigating complaints made by Foothill WDB participants against the listed training providers.

The South Bay WIB has been the local designated Board that has setup and maintained the online training provider list in Los Angeles County. South Bay WIB has procured and contracted with approximately 200 ITA providers through its Intra-State Training and Information Resource Network (I-TRAIN). I-TRAIN is an internet-based database that contains information program and performance information on Southern California private and public training providers that are approved to receive WIOA training funds through ITAs.

One of the more valuable services that have been provided under the ITA contract is the availability of performance information on the training providers. Statistics regarding enrollments, placements, training-related placements, and placement wages are available and updated on a quarterly basis. This performance information has been helpful in assisting staff and customers to choose the best schools. However, entering into this contract does not limit Foothill WDB's discretion over which participants are issued ITAs or which schools will be selected.

Under the proposed contract with South Bay WIB, the contract amount would not exceed \$1,000,000. Approximately 97% of this amount would be allocated to the training vendors in the form of tuition reimbursements. The remaining three percent (3%) of the contract funds would be retained by South Bay WIB to pay for staff and other operational expenses. The delivery of services under the contract will run from November 1, 2018 through December 31, 2019.

On September 20, 2018, the "Approval of Contract Award to South Bay WIB Inc." was recommended and approved by the full Foothill Workforce Development Board.

A primary goal of the Foothill WDB's ITA system is to provide a choice to program participants. However, this does not guarantee that a participant who requests training will receive an ITA or will be sent to the school desired. One reason for this is that some participants request training in an occupation that is no longer in demand in the labor market. Also, participants may request training at a school with a low placement rate or one with tuition higher than other schools with similar curriculum. Participants are required to conduct research on the occupations and schools available on the I-TRAIN to assist them in making an informed choice. They are also required to collect current labor market information on the occupation in which they want to find a job.

Another Foothill WDB goal is to issue ITAs to schools in close proximity to the participant's place of residence due to the cost and other difficulties associated with commuting. Six (6) schools listed on the I-TRAIN are located within the Foothills WDB consortium: Accounting Annex in Arcadia (accounting), Pasadena City College (office occupations), Dotson Trucking in Arcadia (truck driving), Monrovia Adult School (accounting, medical assisting, nursing assistant, office occupations), Employed Security Services in Pasadena (security), and Northwest College in Pasadena (medical, legal, dental, IT). Although location of a school is important, it is not as high a priority as the quality of training provided and the school's performance in terms of placement rate, retention rate, and wage at placement.

It is in the City's best interest to continue this contract as the South Bay Workforce Investment Board (SBWIB) has provided superior performance of their contractual obligation to the City for over sixteen years. As a workforce development board, SBWIB, has designed and upgraded their system to meet the needs of their workforce development board customers. To date, the Foothill WDB has received zero monitoring or audit exceptions regarding the ITRAIN system.

#### **COUNCIL POLICY CONSIDERATION:**

The proposed action supports and promotes the quality of life and growth of the local economy -- a goal of the City Council's Strategic Plan -- through the development of a skilled labor force within Pasadena and the other five cities in the Foothills WDB consortium.

#### **ENVIRONMENTAL ANALYSIS:**

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed approval of the subject contract, and

the activities to be performed thereunder, will not have a significant effect on the environment.

**FISCAL IMPACT:**


Funding for this action was included as anticipated revenue and expenditures in the current adopted FY 2019 operating budget. There is no anticipated fiscal impact on the General Fund as a result of this action and it will not have any indirect or support cost requirements. The anticipated impact to other operational programs as a result of this action will be none.

Respectfully submitted,



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