

# Agenda Report

October 30, 2017

TO: Honorable Mayor and City Council

FROM: Housing and Career Services Department

**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 take the following actions:

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. Approve a contract between the City of Pasadena (acting as an agent for the Foothill Workforce Development Board) and the South Bay Workforce Investment Board, Inc., in an amount not to exceed \$1,000,000 to provide Individual Account Training Services for the contract period November 1, 2017 through December 31, 2018; and
3. Authorize the City Manager to enter into the subject contract for which 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 entities").

## **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 procurement 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 the state policy, the scope of services under the proposed contract with South Bay WIB include:

- Processing of ITA payments to training providers to which Foothill WDB makes referrals;
- 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 Workforce Investment Board (“South Bay WIB”) has provided all of these services for the Foothill WDB for the past fifteen (15) years. Although other organizations could perform the ITA payment processing function, the South Bay WIB is the only organization that could perform the other required functions of this contract. South Bay WIB has already conducted procurement of and contracting with ITA providers through its Intra-State Training and Information Resource Network (I-TRAIN). I-TRAIN is an internet-based database that contains information on approximately 200 Southern California private and public training providers. In addition to receiving funding from Foothill WDB, South Bay WIB is funded by the Los Angeles City and County workforce development boards to maintain the training providers list.

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, 2017 through December 31, 2018.

The Foothill WDB met on September 29, 2017 and recommended approval of the contract. This item was also discussed on October 24, 2017 by the Foothill WDB Executive Committee, which will prepare and file a report regarding the staff recommendation for contract approval.

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 school. However, entering

into this contract does not limit Foothill WDB's discretion over which participants are issued ITAs or which schools will be selected.

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. Clients 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 job seeker's place of residence due to the cost and other difficulties of 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.

### **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**

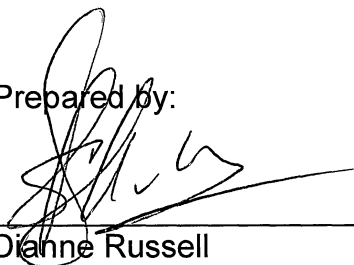
Funding for this action was included as anticipated revenue and expenditures in the current adopted FY 2018 operating budget. There is no anticipated fiscal impact on the General Fund as a result of this action and it will not have any indirect or support cost requirements. The anticipated impact to other operational programs as a result of this action will be none.

Respectfully submitted



*for* WILLIAM K. HUANG, Director  
Housing and Career Services

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Approved by:



STEVE MERMELL  
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