

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

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TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: November 9, 2004
RE: **A STATUS REPORT FROM THE OAKLAND COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY ON THE COMPETITIVE BIDDING PROCESS FOR THE WORKFORCE INVESTMENT BOARD'S ONE-STOP SYSTEM ADMINISTRATOR AND ONE-STOP CAREER CENTER OPERATOR.**

SUMMARY

This report responds to Council's request for an update on the competitive bidding process for the Oakland Workforce Investment Board's (WIB) One-Stop System Administrator and One-Stop Career Center Operator. On September 7, 2004, the Oakland WIB released two Requests for Proposals (RFPs), seeking applicants for the roles of One-Stop System Administrator and One-Stop Career Center Operator. This marked the first time in over 20 years of operation that contracts to run Oakland's federally-funded job training system had gone out for open competitive bidding. The RFP release followed Oakland WIB and City Council direction to conduct such a process. Responses were due November 1, 2004, and the selection of the Administrator and Operator was expected to take place by February 2005.

After the release, some members of the Oakland WIB expressed concerns about the process and content of the RFPs. In recognition of those concerns, the Board called a special meeting for October 14, 2004 with a noticed agenda including the "RFP Process Going Forward" and "Recommended Modifications to the RFP." No action on the RFPs was taken at that meeting, and a second special meeting was scheduled for October 21, 2004. During the second special meeting, the WIB created a process to review the RFP documents in light of the concerns raised by some members. The WIB's action re-convened the teams which had reviewed the RFPs prior to initial release, and charged those teams with discussing concerns raised and suggesting revised RFP language if deemed appropriate. Next, the RFPs including any suggested revisions are to be passed to the WIB's Executive Committee for approval or further revision. Finally, any decision made by the WIB Executive Committee is to be passed forward to a meeting of the full WIB, which will represent the final stage of RFP review.

The original RFP application deadline of November 1, 2004 was rendered untenable by this new review process. Acknowledging this, the WIB conferred upon staff authority to delay the application deadline. Potential applicants have now been directed that the new RFP response date is January 3, 2005, and that any revisions to the RFP documents will be communicated to all known potential bidders in early December, 2004. Staff believe that this revised timeline should allow for final WIB approval of a selected vendor or vendors by the end of March, 2005.

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FISCAL IMPACT

Since this is a status report only, no fiscal impacts are included. The RFP process and potential modifications thereof will not affect grant allocations from the State to the City of Oakland and the Oakland Workforce Investment Area, but economies attained through competitive bidding may result in cost savings, which would in turn allow for greater levels of direct services to clients from those allocations.

BACKGROUND

The Oakland WIB was constituted in 2000 as called for under the new federal Workforce Investment Act. Following a period of transition from the previous federal legislation governing job training, the WIB expressed its desire to see the Oakland workforce system go out for competitive bids in an RFP process, which was originally intended to go out in the fall of 2003, for a vendor or vendors to begin operations in July, 2004.

In September of 2003 the WIB took two actions to shape the future of any RFP process. First, it authorized a one year delay in the letting of any RFP, leading to a new timeline for release in the fall of 2004, for vendor or vendors to begin operations in July, 2005. Second, the WIB adopted as policy the "One-Stop System Framework" document defining the structure the WIB wished to see in the local system. This framework defined two separate and distinct roles: that of a "System Administrator," to contract, oversee and hold accountable the providers of WIA services, and that of the "Career Center Operator," to operate comprehensive centers serving walk-in job seeker clients as well as enrolled Intensive Services clients, as called for under the federal legislation. The One-Stop System Framework stressed the importance of maintaining clear separation between these roles, both for the effective delivery of quality services and to avoid and mitigate any appearance of conflict between the administrative accountability and service delivery functions.

In January of 2004, the Oakland City Council recognized the WIB's decision to delay the competitive process for one year, supporting both the planned release of RFPs in the fall of 2004 and the two distinct roles defined therein.

KEY ISSUES AND IMPACTS

The October 14, 2004 special meeting of the Oakland WIB discussed but did not act upon any expressed concerns about the RFPs' process or content. At its second special meeting, on October 21, 2004, the WIB continued this discussion. Below is a summary of the concerns advanced by members; a version of this summary was also distributed at the October 21 meeting. No opposing or explanatory perspectives are included in the following list:

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1. Rating factors in proposal evaluation:
 - a. **Efficiencies:** The RFPs evaluate applicants on their ability to serve clients at lower “cost-per-placement” ratios, also referred to as efficiency ratios. Some members expressed concern that this framework has been discarded by other local areas for fear of creating a tendency to enroll clients with a greater likelihood of success rather than harder to serve populations more in need of services.
 - b. **Matching funds:** The System Administrator RFP evaluates applicants on the amount of their voluntary declaration of matching contributions. The Center Operator RFP requires a minimum matching declaration of 10% of the contract’s value and awards additional rating points for greater contributions. Some members were concerned this might dilute a System Administrator’s focus from the primary workforce development mission. Members asked whether this disadvantaged the current operator, and whether that was the Board’s intent.
 - c. **Oakland-specific experience:** Concern was expressed that experience within the City of Oakland specifically was not valued sufficiently in the scoring framework.
 - d. **Relationships with WIB and staff:** Another concern offered was whether this role was over-emphasized in the System Administrator scoring framework.
2. An apparent \$100,000 reduction in funding for the System Administrator role: Since the RFP for that role asks applicants to propose budgets with roughly \$100,000 less in total cost than the amount the current System Administrator was allocated for the 2004-05 period, some members asked whether such a reduction could impact our ability to maintain a quality system, and whether this encouraged applicants to respond with the least expensive approach to work, rather than the most effective approach.
3. Role of City staff and the City Council: A member advanced concerns that the language and tone of the RFP in places suggests an elevation of the role of City staff as supervisory and monitoring, as opposed to a partnering role with the awardee(s). Another member questioned the role of the City Council in mandating a competitive bidding process prior to approving another contract.
4. Locally approved measures: Both RFPs refer to possible future “locally approved performance measures” as a basis for vendor evaluation in addition to existing state and federal measures; a WIB member asked what these measures were, who would decide them, and when, as a basis for evaluation.
5. Grant duration subject to Council approval: Both RFPs describe an award process meant to result in a three year contract with the selected vendor(s), with a possible one year extension to follow pending positive evaluation. Both the awards and the annual MOUs to enact awarded contracts are “subject to approval of the Oakland City Council.” A member asked whether this Council role stemmed from a WIB decision, and asked further what the WIB’s role in this process was.
6. Cultural proficiency and accessibility: A respondent noted that there was no mention about cultural proficiency and the diversity of the Administrator/Operator staff, and no reference to how and where the operators locate services.

7. Role of Quality Assurance Committee: A Board member expressed a concern about an apparent disconnect between the RFP process and the Quality Assurance Committee.
8. RFP release process: Several WIB members questioned the WIB authority conferred to release the RFPs, and the role of the WIB, its committees, and/or a delegated body of the WIB (such as the Executive Committee) in the development of the RFPs. Several members offered their opinions that the process was duly authorized, and that involving the full WIB in writing or re-writing the RFPs was not appropriate.

SUSTAINABLE OPPORTUNITIES

Economic: Job training efforts funded by the City of Oakland are intended to improve clients' employability through education, training and support services, towards attaining the Oakland Workforce Investment Board's goal of economic self-sufficiency for all clients. The workforce development system is also intended to promote business development through placement services, customized training subsidies and technical services for employers.

Environmental: There is no environmental impact from this report.

Social Equity: These programs promote social equity by improving clients' earning power, both immediately through job placements and for the long-term through education and training.

DISABILITY AND SENIOR CITIZEN ACCESS

Programs under the Workforce Investment Act are required to meet the most stringent standards for equal access. The City of Oakland's Assets Senior Employment Program, funded under WIA, emphasizes job training opportunities for senior citizens.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council accept this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this report.

Respectfully submitted,



Daniel Vanderpriem, Director of Redevelopment,
Economic Development, and Housing
Community & Economic Development Agency

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CEDA

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE


Office of the City Administrator