

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2005 JAN 13 PM 1:53

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: January 25, 2005

RE: **A REPORT AND RECOMMENDATION FROM THE OAKLAND COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY AND THE OAKLAND WORKFORCE INVESTMENT BOARD ON THE COMPETITIVE BIDDING PROCESS FOR THE OAKLAND WORKFORCE INVESTMENT AREA'S ONE-STOP SYSTEM ADMINISTRATOR AND ONE-STOP CAREER CENTER OPERATOR**

SUMMARY

On November 9, 2004, staff presented a status report in response to the City 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. Since that report, the Oakland WIB convened a number of special meetings and a workgroup to address concerns expressed by several members, primarily regarding the proposal scoring and evaluation process. On December 2, 2004, the Oakland WIB adopted the workgroup's recommendations to revise the original RFP documents, and adopted a more detailed proposal evaluation and awardee selection process. Following the selection of contractors by the WIB, expected in March 2005, the Board's choices will go forward to the City Council for its approval. The WIB's December 2nd action also requested that any disagreement the Council might have with the WIB's final selections be referred back to the WIB for reconsideration.

FISCAL IMPACT

According to the Workforce Investment Act (WIA) and the Oakland City Charter, the Mayor, the WIB and the City Council must be in agreement on major contract award processes. Failure to achieve agreement on contracted administration and service delivery arrangements by June 30, 2005 could jeopardize the City's ability to appropriately allocate and access WIA funds, which could total over 12 million dollars for the 2005-06 and 2006-07 Program Years.

BACKGROUND

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. 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.

Item: _____
CED Committee
January 25, 2005

After the release, some members of the Oakland WIB expressed concerns about the process and content of the RFPs. The Board called three special meetings, and created a process to reconsider aspects of the RFP documents in light of the concerns raised. The WIB's action reconvened 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. The original RFP application deadline of November 1, 2004 was rendered untenable by this new review process. Potential applicants were notified that the new RFP response date was January 3, 2005. Following the WIB's adopted modifications to the RFPs and the proposal ranking and review process, potential bidders were notified that the RFPs were now final.

KEY ISSUES AND IMPACTS

The Oakland WIB took two major actions regarding its One Stop System Administrator and Center Operator RFPs during its final special meeting on December 2, 2004. The first action adopted all proposed revisions to the RFP documents and the scoring frameworks contained therein, as prepared by the workgroup charged with reconsidering aspects of the documents in light of certain expressed concerns. The second WIB action clarified and adopted a detailed proposal review and selection process for the RFPs. This section summarizes each of these two actions.

RFP Content and Scoring:

The WIB adopted the proposed changes from the review workgroup in their entirety, without further revision or amendment. In addition to the following list of the most significant revisions the Board approved, **Attachment A** to this report compares the original RFP scoring frameworks with the final versions as revised by the WIB action.

1. **Organizational Capacity:** The review workgroup felt that the Organizational Capacity section of the scoring frameworks for each RFP warranted greater weight than that given in the original documents. The group felt, and the WIB concurred, that proven experience in the field was of greater value than proposed future service delivery plans and budgets. Specifically, in both RFPs:
 - The scoring line meant to capture general Workforce Development experience was given greater weight.
 - Additionally, the scoring line designed to reward experience specific to the City of Oakland was given additional weight, and the scope of the considerations for those points was expanded to encompass cultural competency regarding services to a diverse population like Oakland's. The line was amended to assess "experience operating comparable programs in the City of Oakland, and demonstrated

competency with a linguistically, ethnically, culturally and geographically diverse population like Oakland's." The intent of the workgroup, echoed by the WIB, was that an applicant lacking Oakland-specific experience could be awarded some but not all of the available points from this line.

2. **Matching Contributions:** The adopted revisions changed aspects of the expectations for matching contributions from the selected contractors for both RFPs:
 - In the System Administrator RFP, any matching contribution offered by applicants remained voluntary, as written in the original RFP document. However, the original scoring framework awarded points for any such voluntary matching contribution. The revised RFP removed that assessment line, and instead offered up to five bonus points, beyond the primary 100 point evaluation scale, for applicants offering "significant voluntary matching fund declarations."
 - The original Center Operator RFP called for mandatory matching contributions of at least 10% of the contract value in each year. The revised RFP adopted a tiered requirement, where the selected contractor would have no mandatory match in the first year, a 5% match required in the second year, and a 10% match required in the third year. The scoring of this match was revised to five points for the mandatory matches in years two and three, with up to five additional bonus points available for applicants offering "significant voluntary matching fund contributions in Year 1 of the contract."
3. **Efficiencies and levels of service:** The workgroup clarified the RFPs' intent around efficiencies, generally defined as the number of clients proposed to be served per WIA dollar allocated. The workgroup amended language in this area to reward "service to increasing numbers of clients for the funds allocated, while maintaining service quality and serving WIB-priority clients facing particularly high barriers to employment." No changes were made to the weight of this revised language in the scoring framework of the System Administrator RFP. For the Center Operator RFP, duplicative lines around service levels and efficiencies were combined, with the total scoring value reduced from the original.
4. **System Administrator funding level:** The original RFP called on applicants to propose a maximum budget of \$1.2 million for System Administrator activities in the 2005-06 year, down from the \$1,329,160 allocated by the WIB for these services in the 2004-05 year. The workgroup noted that any cap on proposed budgets was designed to ensure the comparability of proposals, and that the ultimate allocations would be made by the WIB as part of its annual budget process, and not through the RFP process. To assuage any concerns in this area, the workgroup revised the budget proposal maximum up to the 2004-05 amount, but noted that applicants proposing more economical amounts could receive a scoring advantage accordingly.

The complete package of revisions proposed by the workgroup, the most significant of which are summarized above, was adopted by the WIB in total, without further amendment. In turn, the RFP documents were revised and distributed to all known potentially interested parties, attendees at the RFP bidder's conferences, and were made available for download through the Oakland WIB's web site.

Proposal Review and Selection Process:

The second major action taken by the WIB on December 2nd was to adopt a proposal review and selection process, with amendments. **Attachment B** to this report is a schematic of the process adopted by the Board. The following list summarizes the steps of the process adopted, including the amendments incorporated by the WIB:

1. All proposals will first be reviewed by staff for general responsiveness. Proposals deemed significantly lacking or non-responsive will be excluded from further consideration. Any applicant deemed non-responsive may file an immediate appeal to the WIB Executive Committee for reconsideration.
2. The WIB Chair and Vice-Chair will select a facilitator to help manage the review process. The facilitator will convene a three person panel of readers from outside of Oakland to score each proposal in accordance with the final scoring framework. The top three to five applications for each RFP will advance to the interview stage, which will be conducted by a panel comprised of the readers, the WIB Chair, and the WIB Vice-Chair. Staff and the facilitator will be present to offer technical assistance to the panel during these closed session interviews.
3. The interview panel will present finalists in ranked order to the WIB Executive Committee, which may opt to schedule additional interviews with one or more applicants. The Executive Committee will then recommend one awardee for each RFP for consideration by the full WIB. In consultation with the Mayor of Oakland, the WIB will then convene to confer final approval on the awardee for each RFP.
4. The contractors selected by the WIB will next be presented to the City Council for its approval. Should the Council disagree with the recommendations, the WIB requests that the Council refer the matter back to the WIB for further consideration.

In addition to the steps outlined above, the RFPs contain a WIA-mandated appeal process for applicants to pursue should they feel aggrieved. The December 2nd action of the WIB also included language emphasizing to applicants their right, in addition to the formal appeal process, to appear at public meetings of the WIB and its Committees and of the City Council and its Committees, to voice any concerns about the selection process during recognized public forum opportunities.

Item: _____
CED Committee
January 25, 2005

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

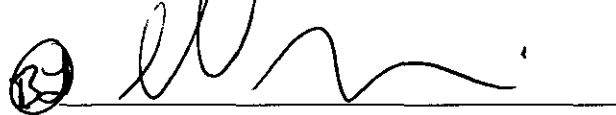
Staff recommends that the City Council accept the Oakland WIB's request that, in the event the Council does not approve of the WIB's recommendations for Oakland One Stop System Administrator and/or One Stop Career Center Operator, the matter be returned to the WIB for reconsideration. The Workforce Investment Act of 1998 (WIA) requires that the Workforce Investment Board and the chief elected official of a designated Workforce Investment Area (such as Oakland) agree on major policy and budgetary matters that pertain to the delivery of services funded under WIA. The Oakland City Attorney's office has determined that WIA legislation does not supersede the City Charter, and that the City Council must also approve all major contracts funded under WIA. Therefore, the Mayor, City Council and WIB must be in agreement on the selection of the One Stop System Administrator and One Stop Career Center Operator. Staff believes that Oakland's workforce development system is best served by referring opposition to the WIB's recommendation—either by the Mayor or the City Council—back to the Board for reconsideration.

Item: _____
CED Committee
January 25, 2005

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this report and the Oakland WIB's request that, in the event the Council does not approve of the WIB's recommendations for Oakland One Stop System Administrator and/or One Stop Career Center Operator, the matter be returned to the WIB for reconsideration.

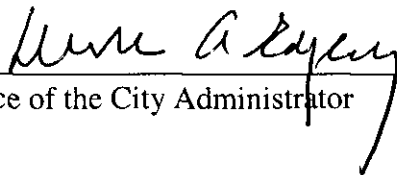
Respectfully submitted,



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

Prepared by: Al Auletta
Manager, Workforce Development Unit
CEDA

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE


Office of the City Administrator

Revised System Administrator Scoring Framework

Original RFP scoring language and points		Revised language and points approved by WIB (where cells are blank no language changes were made)	
1. Organizational Capacity:		up to 25 points	up to 35 points
• Experience in Workforce Development and related fields	12		18
• Experience operating comparable programs in the City of Oakland	3	Experience operating comparable programs in the City of Oakland, and demonstrated competency with a linguistically, ethnically, culturally and geographically diverse population like Oakland's	7
• References	5		5
• Organizational chart and staff qualifications	5		5
• Single Audit and Legal Standing	Pass/Fail		Pass/Fail
2. Service Delivery Plan:		up to 45 points	up to 40 points
• Performance, Accountability and Reporting Plans	20		20
• Working with WIB and WIB staff	10		10
• Working with partners and building collaborations in the Oakland One-Stop System	15		10
3. Budget Detail and Efficiencies:		up to 30 points	3. Budget Detail and Value: up to 25
• WIA fiscal systems aptitude	5		5
• Strength and value of budget proposal; only applicants proposing budgets significantly below the maximum \$1.2 million award for FY 05-06 can receive the full 10 points available	10	Strength and value of the budget proposal, as aligned with the quality and quantity of services proposed	10
• Optional matching contribution	5		0
• Plan for reaching equitable efficiencies among service providers	10	Plan for managing providers' service to increasing numbers of clients for the funds allocated, while maintaining service quality and serving WIB-priority clients facing particularly high barriers to employment.	10
• Reasonable profit, overhead, and/or indirect cost rates	Pass/Fail		Pass/Fail

Original RFP scoring language and points		Revised language and points approved by WIB (where cells are blank no language changes were made)	
4. <u>Managing conflicts of interest:</u>		<u>Pass/Fail</u>	<u>Pass/Fail</u>
· Equitable performance accountability function	Pass/Fail		Pass/Fail
· Equitable contracting function	Pass/Fail		Pass/Fail
· Equitable allocation of support service and dedicated training funds	Pass/Fail		Pass/Fail
In addition to the 100 possible points described above, applicants may receive up to five additional preference points for meeting the City of Oakland's Local/Small Local Business Enterprise program goals, as described in Attachment A.	Up to 5 bonus points		Up to 5 bonus points
		Up to 5 additional points available for significant voluntary matching fund contributions	Up to 5 bonus points

Revised Center Operator Scoring Framework

Original RFP scoring language and points		Revised language and points approved by WIB (where cells are blank no language changes were made)	
1. Organizational Capacity:		up to 25 points	up to 35 points
Experience in Workforce Development and related fields	12		15
Experience operating comparable programs in the City of Oakland	3	Experience operating comparable programs in the City of Oakland, and demonstrated competency with a linguistically, ethnically, culturally and geographically diverse population like Oakland's	10
References	5		5
Organizational chart and staff qualifications	5		5
Single Audit and Legal Standing	Pass/Fail		Pass/Fail
2. Service Delivery Plan:		up to 45 points	up to 45 points
Universal Service Plan: Approach and priorities	10		10
Intensive Service Plan: Approach, priorities, levels of service, and performance goals	15		15
Building collaborations with One-Stop partners	10		10
Job development plan and ability to build business services relationships	10		10
3. Budget Detail and Efficiencies:		up to 30 points	3. Budget Detail and Value: up to 20 points
Matching contribution	10	Plan for obtaining matching contributions of at least 5% of the contract value in Year 2, and at least 10% of the contract value in Year 3.	5
Levels and priorities of service	10	Strength and value of the budget proposal, including the plan for serving increasing numbers of clients for the funds allocated, while maintaining service quality and serving WIB-priority clients facing particularly high barriers to employment.	15
Plan for operating at efficiency ratios equal to or better than ratios in Oakland's current system	10		
Reasonable profit, overhead, and/or indirect cost rates	Pass/Fail		Pass/Fail
In addition to the 100 possible points described above, applicants may receive up to five additional preference points for meeting the City of Oakland's Local/Small Local Business Enterprise program goals, as described in Attachment A	Up to 5 bonus points		Up to 5 bonus points
		Up to 5 additional points available for significant voluntary matching fund contributions in Year 1 of the contract	Up to 5 bonus points

**Approved Oakland WIB RFP Review
and Selection Process**

Attachment B

STAFF: WIB staff will screen out obviously non-responsive proposals prior to further review. Applicants for both RFPs whose conflict of interest responses are deemed non-responsive will be given an additional three days to cure flaws.



FACILITATOR: A professional knowledgeable about WIA issues will be chosen by the **WIB CHAIR** and **VICE-CHAIR**. The **FACILITATOR** will guide the proposal **READERS** in scoring applications in accordance with the scoring framework for each RFP.



READERS: The **FACILITATOR** will convene a three person panel of **READERS**, comprised of individuals from outside of Oakland with extensive WIA experience, and with no personal or professional stake in the outcome of the RFP process. If the volume of applications warrants, the **FACILITATOR** may elect to convene a separate panel of **READERS** for each RFP. The **READERS** will score each proposal per the RFP scoring framework. The top three applications for each RFP will proceed to the **INTERVIEW PANEL**; should an additional one or two proposals be scored closely with the top three, the **READERS** may elect to forward up to five applications to the **INTERVIEW PANEL**.



INTERVIEW PANEL: A body comprised of the three **READERS** and the **WIB CHAIR** and **VICE-CHAIR** will invite the top applicants to present their proposals and participate in an interview. Each applicant will answer the same interview questions. The **FACILITATOR** and **STAFF** will be present in the interviews to provide technical assistance as requested by the panelists, but will not ask questions of applicants, or score or vote on the interview results. Interviews will take place in a closed session. The **INTERVIEW PANEL** will score all finalists and present their scores for each RFP in ranked order to the **EXECUTIVE COMMITTEE**.



EXECUTIVE COMMITTEE: The **WIB EXECUTIVE COMMITTEE** will receive the rankings of the **INTERVIEW PANEL**. The **EXECUTIVE COMMITTEE** may opt to schedule an additional round of interviews with some or all applicants. Following deliberations, the **EXECUTIVE COMMITTEE** will recommend an awardee for each RFP. The **EXECUTIVE COMMITTEE** recommendation will go forward to the **FULL WIB**.



FULL WIB: The **WIB** will convene to confer final approval on the awardees as recommended by the **EXECUTIVE COMMITTEE**.



CITY COUNCIL: The awardees selected by the **WIB** and approved by the **MAYOR** will be submitted to the **CITY COUNCIL** for its approval. Should the **CITY COUNCIL** disagree with the selections, the **WIB** requests that the **COUNCIL** return the question to the **WIB** for further deliberation.