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OFFICE OF THE CITY CLERK
OAKLAND

SUPPLEMENTAL AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki,
Director, EWD

SUBJECT: Workforce Development Board FY
2016-17 Budget and Contracts

DATE: June 21, 2016

City Administrator Approval

Date:

[Signature]
6/16/16

RECOMMENDATION

RESOLUTION (1) ADOPTING THE FISCAL YEAR 2016-2017 WORKFORCE INVESTMENT BUDGET; (2) ACCEPTING AND APPROPRIATING WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) TITLE I FORMULA FUNDS FOR ADULT, DISLOCATED WORKER, YOUTH AND RAPID RESPONSE SERVICES; (3) AUTHORIZING CONTRACTS WITH SERVICE PROVIDERS COMPETITIVELY SELECTED BY THE OAKLAND WORKFORCE DEVELOPMENT BOARD TO PROVIDE COMPREHENSIVE, SECTOR ACCESS, BUSINESS ENGAGEMENT AND YOUTH SERVICES FROM WIOA TITLE I FORMULA FUNDS FOR FISCAL YEAR 2016-2017; (4) ACCEPTING GRANT FUNDS FROM THE BAY AREA RAPID TRANSIT DISTRICT FOR WORKFORCE DEVELOPMENT SERVICES IN THE AMOUNT \$43,500; (5) AUTHORIZING THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE GRANTS AND CONTRIBUTIONS FOR WORKFORCE DEVELOPMENT SERVICES BEYOND THE WIOA TITLE I FORMULA FUNDING UP TO \$200,000 WITH THE APPROVAL OF THE OAKLAND WORKFORCE DEVELOPMENT BOARD WITHOUT RETURNING TO COUNCIL; AND (6) AUTHORIZING A CONTRACT WITH CIVICORPS TO PROVIDE YOUTH SERVICES USING UNENCUMBERED FUNDS FROM FISCAL YEAR 2015-16 IN THE AMOUNT OF \$106,864.

REASON FOR SUPPLEMENTAL

At the June 14, 2016 CED Committee meeting, the Committee approved a motion to forward the recommended action on to the full Council for consideration at the June 21, 2016 meeting, with the exception of those portions of the resolution that allocate funds to and award a contract to the Business Engagement and Services (BES) provider, pending further information. City Council asked staff to provide a supplemental report outlining two concerns: potential funding remaining to operate the neighborhood career centers, and addressing claims brought by Lao Family Community Development, Inc. (LFCD) concerning litigation involving KRA Corporation, the recommended Business Engagement and Services (BES) provider.

Item: _____
City Council
June 21, 2016

Potential funding for neighborhood centers

Regarding the neighborhood career centers, City Council asked how much unspent funding is available from previous years to keep the centers operating through FY 2016-17. Additionally, the City Administrator and staff were directed to return with proposals for any additional funding available to continue services through the next year.

The neighborhood centers will not close on June 30, 2016, because they have unspent funds available from FY 2015-16. The neighborhood centers have funding available for an additional 6 – 12 months of operations. Total unspent funds from FY 2015-16 are \$224,632. Combined, the neighborhood centers spent \$334,368 or 60 percent of their total FY 2015-16 funding in the first year of their two-year funding cycle.

There are two types of funding sources that the neighborhood center providers received in FY 2015-16, program funding, and training and support services. Program dollars are for expenses such as staff salary, rent and insurance. Table 1 shows the current status of available program funding:

Table 1: FY 2015-16 WIOA Program Funding (Staff Salaries, Rent, etc.)				
AGENCY	Formula Program	Unspent Dollars	% Unspent	Remaining Months based on Spend Down Rate
OPIC: Career Center (West)	\$210,000	\$80,204	38%	7 months
OPIC: Career Center (East)	\$139,000	\$71,127	51%	12 months
Unity Council (Central)	\$210,000	\$73,301	35%	6 months
TOTALS:	<u>\$559,000</u>	<u>\$224,632</u>	<u>40%</u>	

In addition to unspent formula funding described above, the providers also have unspent funds for training and support services. Table 2 includes funds available to be paid direct to clients for their job-seeking needs, such as transportation. In fact, almost all of the training and support service dollars that are paid directly to clients remain unspent by these providers.

AGENCY	Training and Support Services	Unspent Dollars	% Unspent
OPIC: Career Center West	\$51,080	\$43,615	85%
OPIC: Career Center East	\$27,040	\$22,414	83%
Unity Council	\$50,580	\$50,580	100%
TOTALS:	<u>\$128,700</u>	<u>\$116,609</u>	<u>91%</u>

The Sector Access Points, a new service delivery model for OWDB, will coordinate sector-specific services for job-seekers, workers, and employers in one or more of OWDB's priority industry sectors. The Access Points will provide career services contextualized for their industry sectors of focus and connect job-seekers and workers to the sector-related training, education, and supports they need to get good jobs and stay employed, in accordance with WIOA regulations and guidelines as well as local OWDB policies.

The Access Points will work closely with City staff to fulfill OWDB's vision for high-impact sector strategies. OWIB's 2013-2017 Strategic Plan articulates several sector strategy goals:

- Utilize regional labor market data and employer input to identify entry-level jobs (and the skills they require) with advancement potential in growth sectors;
- Convene and connect industry, education, and service providers to better define and articulate career pathway education, training, and workforce services related to these jobs and sectors;
- Message to job-seekers, workers, and employers the opportunities presented by these career pathways to encourage their participation; and
- Increase credential attainment, job placement and retention outcomes in high-demand occupations and sectors.

Of the three neighborhood centers, only Unity Council applied for Sector Access Point funds. Subsequently, the Workforce Development Board (WDB) recommended that Unity Council receive the award for a Sector Access Point contract in the amount of \$127,500. Table 3 is the Sector Access Point recommendations from the WDB.

Table 3: Sector Access Points	
AGENCY	Training and Support Services
Unity Sector Access Point	\$127,500
Merritt Sector Access Point	\$127,500
Total	\$255,000

Claims brought by LFCD against KRA

In regards to KRA, the City Council referenced a letter presented by LFCD at the CED Meeting. Staff did not receive a copy of this letter, Attachment A in the report. KRA provided a response to the claims that were made. Attachment B is a letter from KRA that addresses LFCD's letter. This report includes Staff's reasoning behind continuing to recommend KRA, a discussion of the impact of delays in contracting for Business Engagement and Services, and KRA's response to the letter.

As KRA points out, it is not unusual for a large organization to be the subject of litigation. The only recent relevant litigation cited by LFCD is a lawsuit brought by the Philadelphia Workforce Development Corporation (PWDC) against KRA. This was a breach of contract action involving questions of contract interpretation and application, in particular certain claimed "disallowed" expenses. PWDC claimed that KRA was overpaid, and KRA claimed that they were underpaid. It is not unusual in our experience for staff to return invoices to a service provider for correction because appropriate documentation wasn't attached or the expense was disallowed. In the Philadelphia case though, the disallowed expenses weren't discovered until after KRA was paid – they were found in an audit. The case recently went to a jury, and the jury found that KRA owed approximately \$161,000 in overpaid funds to the PWDC. Since there were no allegations of fraud, abuse, or misconduct in the case, staff does not believe that this case or the jury verdict should be grounds for disqualifying KRA from the BES contract.

The Business Engagement and Services (BES) function contributes to economic growth and business expansion by ensuring the workforce system is job-driven -- matching employers with skilled individuals. This function plays a key role in Oakland's workforce system. Since the BES function is an employer function, the funding for rapid response and layoff aversion are allocated to BES. In addition, in FY 2016-17 the BES function has fiscal responsibility for the training and support services, which is how all clients will receive direct funding for training and expenses to meet needs of job seekers such as transportation support.

KRA was chosen as the BES function because the Independent Panel found in the proposal that KRA is a more employer-focused provider and LAO is more job-seeker focused provider. KRA serves as the Business Engagement and Services provider for Alameda County.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that Council adopt a resolution (1) Adopting the fiscal year 2016-2017 workforce investment budget; (2) Accepting and appropriating Workforce Innovation and Opportunity Act (WIOA) Title I formula funds for adult, dislocated worker, youth and rapid response services; (3) Authorizing contracts with service providers competitively selected by the Oakland Workforce Development Board to provide comprehensive, sector access, business engagement and youth services from WIOA Title I formula funds for Fiscal Year 2016-17; (4) Accepting grant funds from the Bay Area Rapid Transit district for workforce development services in the amount \$43,500; (5) Authorizing the city to apply for, accept and appropriate grants and contributions for workforce development services beyond the WIOA Title I formula funding up to \$200,000 with the approval of the Oakland Workforce Development Board without returning to Council; and (6) Authorizing a contract with Civicorps to provide youth services using unencumbered funds from Fiscal Year 2015-16 in the amount of \$106,864. This includes the funding allocation and contract award to KRA for the Business Engagement Services as originally recommended.

Regarding funding for neighborhood centers, if a funding source is available, staff recommends that the West neighborhood center be funded up to the amount of \$130,000 to ensure the center will be open for the remainder of the full fiscal year. This is because the East neighborhood center can sustain its funding until the end of year. Also, OPIC named the East neighborhood center in their Comprehensive One-stop Center proposal, supporting them with \$150,000 under the Comprehensive One-stop contract. Staff does not recommend any additional funding for Unity Council because it is being funded for the Sector Access Point. Since funding allocations and award of provider contracts for the neighborhood career centers is not part of the noticed action for this meeting, under the Brown Act and Sunshine Ordinance these actions will need to be brought to Council in future meetings as separate resolutions. Also, the award of service provider contracts for the neighborhood centers will need to be approved by the Workforce Development Board, since WIOA provides that the Board is responsible for setting policy, coordinating and overseeing Oakland's workforce development system (not limited only to portions of the system funded by WIOA funds), including selecting all one-stop operators in the system. The WDB needs to ensure the funding has performance accountability attached to it. Staff also recommends that all neighborhood centers completely expend their training and support services dollars fully by June 30, 2017 to ensure clients are receiving services such as transportation, books, certification costs, uniforms and equipment needed for their jobs.

Regarding the Business Engagement and Services contract, staff still recommends that KRA Corporation be awarded the contract because their proposal meets the needs of the RFP.

In order for new contracts to be in place for the new fiscal year, approval of the OWDB budget and selection of service providers must be completed as soon as possible. Both the OWDB and the City must approve the budget and contracts. If the full Council approves the budgets and contracts on June 21, this will be the Council's last meeting before the new fiscal year. A delay in the approval timeline could lead to a disruption in funding to providers. Also, any changes to the budget that Council makes will require returning to the OWDB for its consideration and approval. If the CED Committee or Council do not approve the selection of service providers and WDB budget, current contracts will require an amendment for a 90-day extension from June 30, 2016 to September 30, 2016 with no additional funds if the budget is not approved. New services: Business Engagement and Services and Sector Access Points could not begin without City Council approval of contracts and budget.

For questions regarding this report, please contact Mark Sawicki, Director, Economic & Workforce Development, at (510) 238-2992.

Respectfully submitted,



Mark Sawicki
Director, EWD

Prepared by:
Honorata Lindsay, Program Analyst II
Workforce Development

Attachments (2)

- A: LFDC Claims against KRA
- B: KRA Response to LFDC Letter



LAO FAMILY COMMUNITY DEVELOPMENT, INC.

Building healthy communities by helping families and individuals achieve self-sufficiency

www.lfcd.org

Chaosarn S. Chao
President / C.E.O.

June 13, 2016

Kathy C. Rothberg
Executive Director

□ **Oakland Main Office**
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**Re: KRA Corporation Background
2016-2019 WIOA On-Call Business Engagement and Services (BES) RFP**

Dear Mayor Schaff and Mr. Corona,

□ **Sacramento Office**
7171 Bowling Drive
Suite 1120
Sacramento, CA 95823
Tel: (916) 393-7501
Fax: (916) 393-7574

We are concern regarding the background of this corporation. Attached please find legal material related to this firm and their history and practice as it pertains to Federal Dept. of Labor and Contracting with workforce entities in the delivery of federal and state workforce programs.

We ask that the City of Oakland carefully evaluate any vendor it contemplates making a recommendation to enter into a contract with. We expect the City to equally uphold the level of due diligence and high standard of organizational compliance expected as it evaluates an outside for-profit corporation versus local nonprofit organizations. Many local nonprofits bring millions of leverage funding to the work they do for Oakland.

Very truly yours,

Kathy Chao Rothberg
Executive Director

Defendant - Appellant: KRA CORPORATION				
05/18/2015	Smith et al v. Scott et al Plaintiff: Michael W Smith, Joshua D Warner, Kristopher P Kras Defendant: Gregg Scott, Eric Kunkel, Kevin Winters	<u>ILCD</u>	false	Federal Election Commission
05/15/2015	Smith et al v. Bassi et al Plaintiff: Michael W Smith, Joshua D Warner, Kristopher P Kras Defendant: Gregory M Bassi, Gregg Scott, Liberty Health Care Corporation	<u>ILCD</u>	false	Prisoner Civil Rights
04/24/2013	PEREZ-HERRERA v. KRA CORPORATION et al Plaintiff: NATIVIDAD PEREZ-HERRERA Defendant: KRA CORPORATION , ANITA DAVIS	<u>NJD</u>	Civil Rights: Jobs	Petition for Removal-Civil Rights Act
10/28/2011	Greenwich Insurance Company v. Eastside Brokers, Inc. et al Plaintiff: Greenwich Insurance Company Defendant: Eastside Brokers, Inc., Hyun Cheol Yoon, Mira Yoon	<u>WAWD</u>	Insurance	Diversity-Declaratory Judgement
09/10/2010	false Plaintiff: Pier Restaurant and Tiki Bar , Seaside Johnnies , Sammy's Fish Box Restaurant Defendant: Transocean Offshore Deepwater Inc , Haliburton Energy Services, Inc , Sperry-Sun Drilling Services, Inc.	<u>TXSD</u>	Marine	Fed. Question
04/22/2010	CAMPBELL et al v. KRA CORPORATION et al Plaintiff: ANDREA CAMPBELL , SHAKEIA DIGGINS , CHARLENE GILES Defendant: KRA CORPORATION, KNOWLTON R. ATTERBEARY	<u>PAED</u>	Labor: Fair Standards	Fair Labor Standards Act
11/10/2009	PHILADELPHIA WORKFORCE DEVELOPMENT CORPORATION v. KRA CORPORATION Plaintiff: PHILADELPHIA WORKFORCE DEVELOPMENT CORPORATION, PHILADELPHIA WORKFORCE DEVELOPMENT CORPORATION	<u>PAED</u>	Defendant	Diversity-Other Contract

Defendant: KRA CORPORATION

07/07/2009	HUGHES v. KRA CORPORATION Plaintiff: MARNA HUGHES Defendant: KRA CORPORATION	<u>PAED</u>	Plaintiff	Family Medical Act of 1993
06/03/2009	MARRERO et al v. KRA CORPORATION et al Plaintiff: AQUI'SHA MARRERO, AQUI'SHA MARRERO, PETRA TERMINI Defendant: KRA CORPORATION, KNOWLTON R. ATTERBEARY	<u>PAED</u>	Labor: Fair Standards	Fair Labor Standards Act

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ALEXANDER et al v. KRA CORPORATION et al

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Case Number:

2:09-cv-02517

Court:

[Pennsylvania Eastern](#)

Nature of Suit:

[Labor: Fair Standards](#)

Judge:

[ROBERT F. KELLY](#)

Firms

- [Fox Rothschild](#)
- [Saltz Mongeluzzi](#)

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Parties

- **Plaintiff**

MONIQUE ALEXANDER

Represented by:

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PATRICK HOWARD, SALTZ MONGELUZZI BARRETT & BENDESKY

R. ANDREW SANTILLO, THE WINEBRAKE LAW FIRM LLC

PETER D. WINEBRAKE, THE WINEBRAKE LAW FIRM LLC

- **Defendant**

KNOWLTON R. ATTERBEARY

Represented by:

MEREDITH S. CAMPBELL, SHULMAN ROGER GANDAL PORDY & ECKER PA

STEVEN K. LUDWIG, FOX ROTHSCHILD LLP

FRED S. SOMMER, SHULMAN ROGER GANDAL PORDY & ECKER PA

- **Unrepresented Party**

KNOWLTON R. ATTERBEARY

Represented by:

- **Plaintiff**

DENENE COLEMAN

Represented by:

DAVID J. COHEN, KOLMAN ELY PC

PATRICK HOWARD, SALTZ MONGELUZZI BARRETT & BENDESKY

R. ANDREW SANTILLO, THE WINEBRAKE LAW FIRM LLC

PETER D. WINEBRAKE, THE WINEBRAKE LAW FIRM LLC

• **Plaintiff**

ELIZABETH GOMEZ

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PATRICK HOWARD, SALTZ MONGELUZZI BARRETT & BENDESKY

R. ANDREW SANTILLO, THE WINEBRAKE LAW FIRM LLC

PETER D. WINEBRAKE, THE WINEBRAKE LAW FIRM LLC

• **Defendant**

KRA CORPORATION

Represented by:

MEREDITH S. CAMPBELL, SHULMAN ROGER GANDAL PORDY & ECKER PA

STEVEN K. LUDWIG, FOX ROTHSCHILD LLP

FRED S. SOMMER, SHULMAN ROGER GANDAL PORDY & ECKER PA

• **Plaintiff**

BETH TISDALE

Represented by:

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PATRICK HOWARD, SALTZ MONGELUZZI BARRETT & BENDESKY

R. ANDREW SANTILLO, THE WINEBRAKE LAW FIRM LLC

PETER D. WINEBRAKE, THE WINEBRAKE LAW FIRM LLC



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HUGHES v. KRA CORPORATION

Court Name:

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

Case Number

2:2009cv03020

Date Filed:

7/7/2009

Case Type:

Employment

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Details About Employment Cases Generally

This matter above may or may not include any or all of the types of Employment claims described below. The description below is intended to provide information about Employment cases generally rather than information specific to this case :

The Federal laws prohibiting job discrimination are:

Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits employment discrimination based on race, color, religion, sex, or national origin;

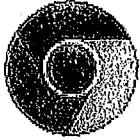
the Equal Pay Act of 1963 (EPA), which protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;

the Age Discrimination in Employment Act of 1967 (ADEA), which protects individuals who are 40 years of age or older;

Title I and Title V of the Americans with Disabilities Act of 1990 (ADA), which prohibit employment discrimination against qualified individuals with disabilities in the private sector, and in state and local governments;

Sections 501 and 505 of the Rehabilitation Act of 1973, which prohibit discrimination against qualified individuals with disabilities who work in the federal government; and

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PEREZ-HERRERA v. KRA CORPORATION et al

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Case Number:

1:13-cv-02630

Court:

[New Jersey](#)

Nature of Suit:

[Civil Rights: Jobs](#)

Judge:

[Joseph H. Rodriguez](#)

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Parties

- **Defendant**

ANITA DAVIS

Represented by:

JESSICA A. CORBETT, COZEN O'CONNOR

OLUFEYIKEMI OBAFEMI, COZEN O'CONNOR

VICTORIA L. ZELLERS, Cozen O'Connor

- **Defendant**

KRA CORPORATION

Represented by:

JESSICA A. CORBETT, COZEN O'CONNOR

OLUFEYIKEMI OBAFEMI, COZEN O'CONNOR

VICTORIA L. ZELLERS, Cozen O'Connor

- **Plaintiff**

NATIVIDAD PEREZ-HERRERA

Represented by:

SCOTT I. FEGLEY

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MARRERO v. KRA CORPORATION

Civil Action No. 09-cv-2516-JF.

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AQUI'SHA MARRERO, et al. v. KRA CORPORATION and KNOWLTON R. ATTERBEARY

United States District Court, E.D. Pennsylvania.

February 23, 2010.

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MEMORANDUM

JOHN P. FULLAM Sr., Judge.

Plaintiffs have sued their employer, KRA Corporation, and its president and chief executive officer, Knowlton R. Atterbeary, alleging that they were denied overtime pay in violation of the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.* ("FLSA") and the Pennsylvania Minimum Wage Act, 43 P.S. § 333.101 *et seq.* ("MWA"). Plaintiffs seek to have the lawsuit conditionally certified as a collective action. I will grant the motion.

The FLSA authorizes collective actions where the complaining employees are "similarly situated" and they consent in writing to participate in the lawsuit. 29 U.S.C. § 216(b). At this preliminary stage of the proceedings, I need only determine whether the proposed class of plaintiffs is "similarly situated." *Parker v. Nutrisystem, Inc.*, No. 08-1508, 2008 WL 4399023, at *1 (E.D. Pa. Sept. 26, 2008). As my colleague Chief Judge Bartle has noted, the standard is "extremely lenient" and the Court does not assess the merits of the claim at this time.

Plaintiffs have met this standard to certify conditionally a class of "Career Agents" employed by KRA Corporation during any week in the past three years. Several former such employees have submitted declarations asserting that they, and others, often worked more than 40 hours in a week without receiving overtime compensation, even though they spent the majority of their time performing non-executive, non-administrative, and non-professional tasks.

Plaintiffs have also submitted a standardized job description for the "Career Agents" employed at the Philadelphia, Pennsylvania and Tidewater, Virginia locations, which shows that the position is the same in more than one location.

After discovery is completed, plaintiffs will have to meet a higher level of proof, and certification may be reconsidered at that time.

An order will be entered.

Comment

K R A

June 16, 2016

-via email-

Mark Sawicki
Interim Executive Director
Oakland Workforce Development Board
250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA 94612

Re: Request for Proposal for Workforce Investment and Opportunity Act On-call Employer Services
(Business Engagement and Services) Fiscal Years 2016-2018

Dear Mr. Sawicki:

I am writing in response to your office's request for additional information to support the Workforce Development Board's recommendation to award a contract to KRA Corporation (KRA) under the referenced Request for Proposals (RFP). Specifically, KRA has been asked to respond to statements submitted by Lao Family Community Development, Inc. (LFDC) in advance of, and in testimony to, a June 14, 2016 meeting of CED Committee, in which LFDC requested further evaluation of KRA.

To begin, I would like to affirm that KRA abided by all of the requirements of the RFP. We have every reason to believe that the Workforce Development Board conducted a complete and fair evaluation of all proposals submitted. And, we are confident that upon further review, City Council will approve contract award.

In a letter dated June 13, 2016, Ms. Rothberg, LFDC Executive Director, provided the Mayor's Office a list of legal matters purportedly related to KRA. Ms. Rothberg's claim that this information is the basis to reconsider the recommended contract award to KRA is groundless. Organizations are from time-to-time involved in lawsuits, and KRA is no exception. Furthermore, the matters referenced by Ms. Rothberg were overwhelmingly settled in KRA's favor or on mutual terms, or not related to KRA at all. As indicated on the enclosed summary, out of the ten (10) matters referenced in Ms. Rothberg's letter, four (4) are not related to KRA; two (2) were dismissed; three (3) were settled on mutual terms between the parties; and one (1) went to jury trial. Ms. Rothberg's letter was libelous in nature, in that it intended to harm KRA directly.

In her testimony before the CED Committee, Ms. Rothberg specifically referenced the matter of PWDC vs. KRA. This matter is a contract dispute that dates from 2009. In short, the litigation involved a dispute about contract payments terms: whether PWDC owed KRA the full amount earned though the contracts' performance-based payment provisions. PWDC claimed that it had overpaid KRA; and KRA claimed that it had been underpaid by PWDC. After six years the matter finally went to jury trial in 2015, and the resulting verdict called for both parties the other certain sums of monies with the net

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Mark Sawicki
June 16, 2016

Page 2 of 3

result having KRA to pay PWDC an amount of approximately \$160,000. KRA is presently determining, on advice of outside Counsel, whether to appeal the decision; however, this litigation is effectively concluded.

While any lawsuit is an unwanted distraction, since 2009 KRA has been able to solidify its reputation as a national leader in workforce development. In the intervening years, KRA has started WIA/WIOA and related workforce operations contracts in communities across the country: in San Diego, CA; Long Beach, CA; Hartford, CT; Camden, NJ; Baltimore, MD; Prince George's County, MD and Washington, DC.

Since July 2014, KRA has successfully delivered business engagement services (similar to those requested in the current RFP) for the Alameda County Workforce Investment Board (ACWIB). In May 2016, ACWIB presented an award to KRA "In Recognition of Outstanding WIA Employer Services and Commitment to Alameda County Business." And, starting in July 2016, KRA will expand operations to Chicago, IL and Orange County, CA.

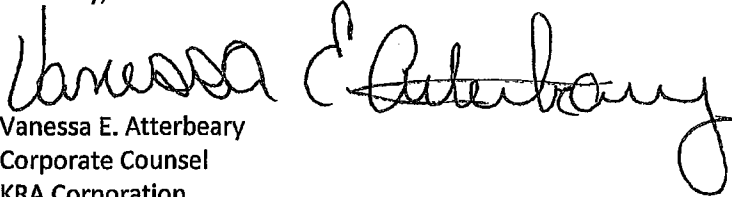
We are confident that the references KRA provided in its proposal were able to vouch for the strength of our operations and the character of KRA staff and leadership.

LFDC's insinuation that KRA is unfit to perform a contract for the City of Oakland is unfounded and out-of-balance with KRA's record of performance. LFDC's libelous actions and slanderous testimony, before the CED Committee, speak more to the character of that organization. LFDC's allegations were inaccurate, a mischaracterization of facts and an effort to taint the reputation of KRA.

Litigation has never deviated KRA from the values that underpin company operations. KRA is committed to the highest level of customer-service standards. Our outcomes-driven philosophy seeks to leverage resources and relationships across sectors. And, KRA infuses continuous quality improvement (CQI) principles into every contract we undertake, using data to monitor outcomes, make adjustments, and improve performance.

To sum up, the fact that KRA has been involved in legal matters should not prevent approval of the recommended contract. A much better measure of KRA is the success we have had in 35+ years of operation, and the impact we have had on the businesses, jobseekers, and communities we serve.

Sincerely,



Vanessa E. Atterbeary
Corporate Counsel
KRA Corporation
encl/

Mark Sawicki
June 16, 2016

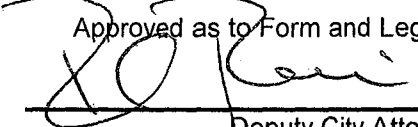
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	TITLE	OUTCOME	DATE	SUBJECT
1	Smith et al v. Scott et al	Not Related to KRA	5/18/2015	Federal Election Commission
2	Smith et al v. Bassi et al	Not Related to KRA	5/15/2015	Prisoner Civil Rights
3	Greenwich Insurance Company v. Eastside Brokers, Inc. et al	Not Related to KRA	10/28/2011	Diversity-Declaratory Judgment
4	n/a	Not Related to KRA	9/10/2010	Fed. Question
5	Perez-Herrera v. KRA Corporation et al	Dismissed	4/24/2013	Petition for Removal-Civil Rights Act
6	Hughes v. KRA Corporation	Dismissed	7/7/2009	Family Medical Act of 1993
7	Campbell et al v. KRA Corporation et al	Settled on Mutual Terms	4/22/2010	Fair Labor Standards Act
8	Marrero et al v. KRA Corporation et al	Settled on Mutual Terms	6/3/2009	Fair Labor Standards Act
9	Alexander et al v. KRA Corporation	Settled on Mutual Terms	n/a	Fair Labor Standards Act
10	Philadelphia Workforce Development Corporation v. KRA Corporation	Jury Trial - Possible Appeal Pending	11/10/2009	Diversity-Other Contract

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2016 JUN 17 AM 9:45

REVISED CED COMMITTEE JUNE 12, 2016

Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION (1) ADOPTING THE FISCAL YEAR 2016-2017 WORKFORCE INVESTMENT BUDGET; (2) ACCEPTING AND APPROPRIATING WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) TITLE I FORMULA FUNDS FOR ADULT, DISLOCATED WORKER, YOUTH AND RAPID RESPONSE SERVICES; (3) AUTHORIZING CONTRACTS WITH SERVICE PROVIDERS COMPETITIVELY SELECTED BY THE OAKLAND WORKFORCE DEVELOPMENT BOARD TO PROVIDE COMPREHENSIVE, SECTOR ACCESS AND YOUTH SERVICES FROM WIOA TITLE I FORMULA FUNDS FOR FISCAL YEAR 2016-2017; (4) ACCEPTING GRANT FUNDS FOR FISCAL YEAR 2016-17 FROM THE BAY AREA RAPID TRANSIT DISTRICT FOR WORKFORCE DEVELOPMENT SERVICES IN THE AMOUNT \$43,500; (5) AUTHORIZING THE CITY TO APPLY FOR, ACCEPT AND APPROPRIATE GRANTS AND CONTRIBUTIONS FOR WORKFORCE DEVELOPMENT SERVICES BEYOND THE WIOA TITLE I FORMULA FUNDING UP TO \$200,000 WITH THE APPROVAL OF THE OAKLAND WORKFORCE DEVELOPMENT BOARD WITHOUT RETURNING TO COUNCIL; AND (6) AUTHORIZING A CONTRACT WITH CIVICORPS TO PROVIDE YOUTH SERVICES USING UNENCUMBERED FUNDS FROM FISCAL YEAR 2015-16 IN THE AMOUNT OF \$106,864

WHEREAS, Section 107 of the Workforce Innovation and Opportunity Act of 2014 (“WIOA”) provides for the establishment of a local workforce development board to replace the workforce investment board created under the Workforce Investment Act of 1998 (“WIA”) in carrying out designated workforce development functions; and

WHEREAS, Executive Order No. 2016-01 established the Oakland Workforce Development Board; and

WHEREAS, the Oakland Workforce Development Board is mandated to oversee the expenditure of WIOA funding in partnership with the Mayor as local chief elected official in a

designated workforce development area such as the City of Oakland; and

WHEREAS, the City of Oakland received notice that its allotment of WIOA Title I formula funds for FY 2016-17 adult, dislocated worker and youth services is \$3,926,256; and

WHEREAS, the rapid response funding allotment has not yet been published but is estimated to be \$226,550, for a total projected WIOA allocation of \$4,152,806; and

WHEREAS, the Oakland Workforce Development Board on June 2, 2016, approved a budget for all said funds; and

WHEREAS, the Oakland Workforce Development Board has selected, through a competitive request for proposals process, the service providers specified below to provide employment and training services to adults, dislocated workers, youth and business including rapid response and lay-off aversion services, with WIOA Title I formula funds; and

WHEREAS, WIOA Title I formula funds awarded to service providers must be expended within the first fiscal year; and

WHEREAS, under Senate Bill 734, 30 percent of the combined adult and dislocated worker funding must be used on eligible training services to assist job seekers with training and employment goals within the first fiscal year; and

WHEREAS, WIOA Section 129(a)(4) increases the minimum out-of-school youth expenditure rate, minus administrative costs, for the youth formula-funded program from 30 percent under WIA to 75 percent under WIOA; and

WHEREAS, WIOA Section 129(c)(4) prioritizes work experience with the requirement that the local workforce development area must spend a minimum of 20 percent of non-administrative youth formula funds on work experience activities; and

WHEREAS, from time to time the City through the Oakland Workforce Development Board will have the opportunity to apply for and receive grant funds and contributions above and beyond the WIOA Title I formula funds to help build capacity and diversify funding for the workforce system; and

WHEREAS, the Bay Area Rapid Transit District (BART) has launched an innovative training program in partnership with Bay Area community colleges and the local workforce development system to provide up to 100 students with the technical knowledge to pursue transit-related careers; and

WHEREAS, \$43,500 in grant funds has been allocated to the Oakland Workforce Development Board by BART to serve as the point of contact for the BART, which will fulfill its obligations to coordinate communication, activities and reporting with supporting Bay Area workforce investment boards and One-Stop locations; and

WHEREAS, there is \$106,864 in unencumbered funds from Fiscal Year 2015-16, including unencumbered youth service provider funds of \$44,408 and Fiscal Year 2015-16 staff salary savings of \$62,456; now, therefore, be it

RESOLVED: That the City hereby accepts the Fiscal Year 2016-2017 WIOA Title I formula funding for Adult, Dislocated Worker, Youth and Rapid Response services in the amount of up to \$4,152,806, and enter into agreements pertaining to the acceptance of such funds; and be it

FURTHER RESOLVED: That, given possible variances in WIOA allocations from the U.S Department of Labor and the California Employment Development Department, the City Administrator is authorized to accept additional WIOA funding allocations for Fiscal Year 2016-17 above the \$4,152,806 without returning to the City Council; and be it

FURTHER RESOLVED: That WIOA funds are hereby appropriated to the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: That the City Council adopts the following Fiscal Year 2016-2017 workforce investment budget:

Revenue Fund (2195)			Contract Award	Contract End Date
WIOA FY 2016-17 Allocations (Subgrant Agreement #K7102050)				June 30, 2018
	- Adult		\$1,413,381	
	- Dislocated Worker		\$1,075,377	
	- Youth		\$1,437,498	
	- Rapid Response		\$226,550	
WIOA FY 2015-16 Unencumbered Youth Funds from Project G481843			\$44,408	June 30, 2017
WIOA FY 2015-16 Unencumbered Staff Salaries from Project G453598			\$62,456	
Total Revenue			\$4,259,670	
Service Providers/WIOA Program	Project # (to be determined)	Program Code	Contract Award	Contract End Date
PIC: Oakland Comprehensive Career Center				
- Adult	TBD	CORS / COSS/ INTS	\$556,911	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$478,956	
Comprehensive Total			\$1,035,867	
Unity Council: Sector Access Point and Youth Svs				
- Adult	TBD	CORS / COSS/ INTS	\$76,700	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$50,800	
- Youth	TBD	YISC/YOSC	\$167,821	
		WEXP	\$41,955	
Unity Council Total			\$337,276	
Merritt College: Sector Access Point				
- Adult	TBD	CORS / COSS/ INTS	\$76,700	June 30, 2017
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$50,800	
Merritt College Total			\$127,500	

Service Providers/WIOA Program	Project # (to be determined)	Program Code	Contract Award	Contract End Date
TBD: Business Engagement				
- Adult	TBD	CORS / COSS/ INTS	\$12,183	June 30, 2017
		TRNP	\$353,346	
		OTHR	\$47,198	
- Dislocated Worker	TBD	CORS / COSS/ INTS	\$12,367	
		TRNP	\$268,767	
		OTHR	\$27,203	
- Rapid Response	TBD	SC03	\$212,603	
- Youth	TBD	SC03	\$12,847	
TBD Total			\$946,513	
Lao Family: Youth Services				
- Youth	TBD	YISC/YOSC	\$167,821	June 30, 2017
		WEXP	\$41,955	
Lao Family Total			\$209,776	
Bay Area Community Resources: Youth Services				
	TBD	YISC/YOSC	\$167,821	June 30, 2017
- Youth	TBD	WEXP	\$41,955	
Bay Area Community Resources Total			\$209,776	
Youth Employment Partnership: Youth Services				
- Youth	TBD	YISC/YOSC	\$167,821	June 30, 2017
	TBD	WEXP	\$41,955	
Youth Employment Partnership Total			\$209,776	
Youth Radio: Youth Services				
- Youth	TBD	YISC/YOSC	\$167,821	June 30, 2017
	TBD	WEXP	\$41,955	
Youth Radio Total			\$209,776	
Civicorps: Youth Services				
- Youth	TBD	YISC/YOSC	\$85,491	June 30, 2017
	TBDx	WEXP	\$21,373	
Civicorps Total			\$106,864	
East Bay Works Cost Share				
- Adult	TBD	SC03	\$17,300	June 30, 2017
- Dislocated Worker	TBD	SC03	\$17,300	
- Youth	TBD	SC03	\$20,000	
East Bay Works Total			\$54,600	
			\$3,447,724	

<i>Service Providers Subtotal</i>			
Other Service Providers Contracts	Project #		
Senior Services (DHS)			
- Adult	TBD		\$100,000
Senior Services Total			\$100,000
Youth Summer Support			
- Youth	TBD		\$100,000
Youth Summer Support Total			\$100,000
Professional Services			
- Adult	TBD		\$4,340
- Dislocated Worker	TBD		\$9,300
- Youth	TBD		\$2,000
Professional Services Total			\$15,640
Other Service Providers Subtotal			\$215,640
City Operations	Project #		
O&M			
- Adult	G453498		\$4,059
- Dislocated Worker	G453398		\$3,981
- Youth	G453598		\$17,062
O&M Total			\$25,102
Internal Services Fees			
- Adult	G453498		\$6,593
- Dislocated Worker	G453398		\$7,784
- Rapid Response	G453898		\$113
- Youth	G453598		\$4,823
Internal Services Fees Total			\$19,313
City Program Staff			
- Adult	G453498		\$130,269
- Dislocated Worker	G453398		\$117,379
- Rapid Response	G453898		\$13,834
- Youth	G453598		\$175,282
City Program Staff Total			\$436,764
- City Administrative Staff			
- Adult	G453499		\$27,782
- Dislocated Worker	G453399		\$30,740
- Youth	G453599		\$56,604
City Administrative Staff Total			\$115,126
			\$596,305

<i>City Operations Subtotal</i>		
EXPENDITURE GRAND TOTAL		
WIOA FY 2016-17		
- Adult	\$1,413,381	
- Dislocated Worker	\$1,075,377	
- Youth	\$1,437,498	
- Rapid Response	\$226,550	
WIOA FY 2015-16 Unencumbered Youth Funds from Project G481843	\$44,408	
WIOA FY 2015-16 Unencumbered Staff Salaries from Project G453598	\$62,456	
Total Expenditure	\$4,259,670	

and be it

FURTHER RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate and enter into contracts for Fiscal Year 2016-17 WIOA funds through June 30, 2017, to provide employment and training services to adults, dislocated workers, youth and business including rapid response and lay-off aversion services with the following service providers in not-to-exceed amounts set forth below:

- Adult and dislocated worker services to the Oakland Private Industry Council in the amount of \$1,035,867;
- Sector access points services to (1) Unity Council in the amount of \$127,500, and (2) Merritt College in the amount of \$127,500;
- Youth services to 1) Lao Family Community Development in the amount of \$209,776, 2) Bay Area Community Resources in the amount of \$209,776, 3) Unity Council, in the amount of \$209,776 4) Youth Employment Partnership in the amount of \$209,776, and 5) Youth Radio in the amount of \$209,776;

and be it

FURTHER RESOLVED: That each contract for workforce development activities funded with WIOA Title I formula funds shall have specific performance benchmarks consistent with WIOA regulations, and that the City shall terminate the contract of a service provider that materially fails to meet 50 percent of contract performance and funds will be reallocated to existing service providers or an on-call pool; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator or her designee to accept BART grant funds in the amount \$43,500; and be it

FURTHER RESOLVED: That the BART grant funds are hereby appropriated to the Miscellaneous Grant Fund (2999), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: The City Council authorizes the City Administrator to appropriate, and negotiate and enter into a contract in the amount of \$106,864.00 with Civicorps to provide employment and training services to youth; and be it

FURTHER RESOLVED: That the funds are hereby appropriated to the Civicorps contract in the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, from the Workforce Development Fund (2195), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined; and be it

FURTHER RESOLVED: That the City Council authorizes the City Administrator or her designee to apply for, accept and appropriate grants funds and contributions on behalf of the City and the Oakland Workforce Development Board to help build capacity and diversify funding for the workforce system up to \$200,000 with the approval of the Oakland Workforce Development Board without returning to the City Council, including the authority to negotiate and enter into contracts for the use of such funds with service providers approved by the Oakland Workforce Development Board through Fiscal Year 2016-2019; and be it

FURTHER RESOLVED: That any additional grant funds and contributions are hereby appropriated through Fiscal Year 2016-2019 to the Miscellaneous Grant Fund (2999), Workforce Development Org (85311), various Expenditure Accounts, in Projects to be determined, and in Workforce Program (SC03); and be it

FURTHER RESOLVED: That the City Council approves the allocation of \$596,305 in WIOA funding to support City Operations O&M, Internal Service Fees, City Program Staff and City Administrative Staff positions and operations and maintenance costs from FY 2016-17 WIOA formula funds; and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to spend funds in FY 2016-17 and take other action with respect to the adopted budget and authorized contracts consistent with the Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCHELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California