

# State Workforce Investment Board

## WIA Committee

December 15, 2011

State Capitol, room 137

**Council Members Present:** Mike Cooney (Keith Kelly's designee), Jeff Rupp, Michael DesRosier, Mike McGinley, Representative Kelly Flynn, Tina Bundtrock, and Senator Edward Buttrey.

**Council Members Absent:** Evan Barrett, Pat Wise designee, and Sandi Miller. All were excused.

**Guests:** Cherelee Martin, Leslie DeWitt, Michelle Marsh, Kathy Yankoff, Sharon Smith, Rhonda Huseby, Carol Hanel, Dave Morey, Mary Berg, Linda Moodry, Candi Curriero, Lisa Newman, Brad Wiles, John Danielson.

**Staff:** Leisa Smith, Adrienne Piccono

### **I. Welcome & Introduction**

Ms. Piccono conducted roll call. A quorum was present.

Ms. Piccono reported on housekeeping items and that the meeting will be recorded for accuracy of the minutes. Once minutes have been approved recordings are deleted. Chair McGinley reminded Committee members of the upcoming SWIB Meeting, January 12th, 2012 in Helena.

Chair McGinley stated that the meeting will be conducted under Robert's Rules of Order. The agenda was approved by consensus. Minutes from February 17, 2010 were approved by consensus. No public comment was heard.

### **II. WIA Adult Program & Funding Review**

Rhonda Huseby, Workforce Investment Act Program Manager with the Department of Labor Statewide Programs and Oversight Bureau, provided opening comments regarding the meetings goal of reviewing and making recommendation for the Request for Proposal process required for the WIA Adult Program Service providers. The last RFP process occurred in 2007 and the end of the contract cycle for the current WIA Title IB Adult providers will end June 30, 2012. New contracts will need to be in place by July 1, 2012.

Carol Hanel, WIA Program Manager with the Programs and Oversight Bureau provided a WIA Title IB Adult Employment & Training Program overview. Ms Hanel displayed a number of maps identifying where the current adult providers are located throughout the State. Also, included was a map outlining Montana's local workforce areas: Balance of State (BOS) and Concentrated Employment Program Area's (CEP). Ms Hanel addressed questions from the Committee regarding program eligibility, criteria, and eligibility guidelines.

Chair McGinley requested an overview of the significance between the CEP and BOS areas and inquired into any different considerations that would need to be addressed regarding providers that serve in the different CEP and BOS service delivery areas. Ms Hanel provided background information on these two service areas and stated primary difference is how funding is allocated.

Gary Wright, Bureau Chief for the Statewide Workforce Programs, and Oversight Bureau at the Department of Labor went on to further explain that the 10 county CEP area has been grand-fathered by Federal Legislation. Congress is the only entity that can change this status. Dollar amounts fluctuate based on a formula. The Committee inquired into the State's jurisdiction over both areas and if the CEP always received more funding than the BOS areas. Mr. Wright explained that with the recent economic downturn the CEP is receiving less money than BOS but stated that the SWIB cannot weigh in. This issue would need to be amended at the Congressional level. However, WIA Reauthorization discussions may address this.

Committee members requested clarification into the Single Statewide Planning Area and the role of the program managers at the State level. Mr. Wright provided background on Montana becoming a single entity but still must retain the two program areas of BOS and CEP. Program Managers with DLI assist service providers by way of providing technical assistance trainings, monitoring, reporting etc.

Connie Kinsey, WIA Youth Program Manager, provided a funding review and explained how monies are allocated from the US DOL down to the State and then down to the service delivery area within the State. State and local allocations are based on a formula. A base funding level is received by the counties along with additional funding based on other criteria such as economically disadvantaged. Committee members inquired if services boundaries match MACo districts and what the splits are between the CEP and BOS areas.

Michelle Marsh, Fiscal Officer, reviewed the last five years of funding showing funding has been fairly consistent but the State did see a decrease this year and expect one for next year.

Questions from the Committee included what factors were impacting the decline in funding and how rescissions were determined. Mr. Wright explained that rescissions are based on needs of other states with bigger populations, higher unemployment, and harder hit economies – if one state is hit hard, other states that are not experiencing such economic hardships will see a decrease. Mike Cooney, Administrator of the Workforce Services Division at the Department of Labor, explained that Congress appropriates and can increase or decrease due to the need to tighten belts. Currently States are operating under a Continuous Resolution and not sure of the appropriations for the upcoming program year.

Mr. Wright further explained that Montana is unique due to low population, huge land mass and no local boards. There are currently thirteen states that are single statewide planning areas with no local boards. Local boards also require money from state appropriations. Montana saved over one million dollars that went back to serving those in need by this consolidation.

Chair McGinley also commented on the role of the county commissioners as a voice for local controls and efficiencies. DLI has committed to assist with funding one position to go to the national conferences to keep commissioners involved and have an active voice.

### **III. WIA Adult RFP Review**

Ms Huseby reviewed the RFP draft requirements per the Department of Administration. (DOA). DOA, once they receive the draft RFP SWIB approved recommendation will be the single point of contact, will issue the RFP, and will establish the process for submitting the RFP. The RFP notice will be posted on their website.

#### **IV. RFP Criteria & Scoring**

Ms Hanel presented the basic State of Montana RFP Boilerplate which outlines Instructions, RFP Standard Information, Project Specifications or Scope of Service, Offeror Qualifications, Cost Proposals, Evaluation Process, Standard Terms and Conditions, Contracts, Required Forms, Process, and Proposed Timelines. The overview went on to review the responsibilities of each entity required to participate in the RFP process; Department of Administration, WIA Staff, SWIB, SWIB Staff and Offerors.

The Committee asked for more clarification regarding “co-offers.” Ms Hanel provided examples illustrating how a joint proposal and shared funding can enhance service delivery based on the needs of local area. One proposal is submitted by several service providers who have formed a mutual agreement to split funding for improved service. Chair McGinley summarized by stating the goal with the competitive process is to award contracts to those who can do the best job with the money awarded the State and local service delivery areas. Mr. Cooney emphasized that the qualification section is very important. Mr. Wright stated that while the State could be awarded contracts to provide the WIA Employment & Training services without the need for the RFP process, historically Montana has good providers so wish to allow for other entities such as non – profits opportunities to help serve those in need. Many of the current providers have been dedicated for many years in providing services.

The Committee asked if considerations were given regarding most number served. Mr. Wright explained how tracking occurred and who sets the eligibility requirements. States and local area can identify and establish “priority for service.” Montana’s goal has been to serve most in need while still trying to secure value on investment. The Committee further inquired into the “resident alien” population as an identified priority for service. Mr. Wright explained that resident aliens with more barriers would be required for prioritization per the federal government. Montana has a rare incident of this occurrence.

The overview continued with a review of the procurement requirements, objectives of RFP, and criteria. Committee members asked if the State reserves the right to rescind contracts if necessary and what accountability measures are in place. Mr. Cooney commented on the checks and balances in place. If problems occur they can be addressed through monitoring and technical assistance forums. The Programs and Oversight Bureau is there to provide assistance while rare contracts can be pulled for non - compliance issues. Mr. Wright reminded to the Committee that the goal is to work with providers as we want them to succeed and will provide assistance for their improvement. Service providers are monitored every year on the program and fiscal side – the Feds also come in to monitor the State - accountability is stringent. Again the goal is not to bust folks but to help them do what is right and identify problems early on.

Committee members inquired into performance measures, % served, % employed, tracking and follow-up processes. Mr. Wright provided the explanation, and the committee requested further clarification regarding the 800 total points and how points are broken down. This is identified in the Criteria and Evaluation Document and is the primary topic of discussion for the Committee upon conclusion of the RFP process overview.

Chair McGinley voiced concerns regarding how to ensure there were not overlaps or areas lacking services. Mr. Cooney stated that this has not been a problem in the past. Ms Huseby reminded the Committee that the bidders are to describe in detail their outreach efforts for proposed areas of service so the State can work to ensure and elicit full coverage.

Questions ensued regarding the role of the Committee in the review of proposals once submitted, who serves on the review teams, numbers on the team, who picks the teams, and time given for review. Ms Smith explained that review teams will be established for both the Youth and Adult programs. Several Committee members advocated for SWIB and Committee members to serve on the review teams, while others had conflict of interest concerns regarding the role of the Department of Labor staff serving on these committees as DLI job service offices are also bidders for these programs.

Ms Huseby continued with the breakdown of the responsibilities of DOA and DLI.

After a break the Committee reconvened for the review and discussion pertaining to the required criteria offeror qualifications, scoring, optional criteria, attachments, process elements and evaluation/scoring.

Chair McGinley inquired into the advantage of hosting the optional offers conference. Ms Huseby said that requirements of the RFP process are presented to anybody interesting in submitting a proposal for consideration. Committee members stated this is also a helpful and fair process. Mr. Cooney advocated for this to be discretionary not a mandatory element but is meant to be a resource. The Committee requested clarification regarding “optional” – is it for the committee or for the offeror? Chair McGinley questioned the impact or consequences to the offerors if they receive a “fail” if not scored. Staff stated this is at the discretion of DOA. The Committee inquired into how many proposed offerors have been rejected in past years. Ms Kinsey stated it was rare however the last cycle did have a competitive bid between two prospective service providers vying for the same service delivery area and lost due to lower point scores. Mr. Cooney stated the goal is to gather as much information as possible to be able to determine service will be provided to the whole state not just in pockets.

Discussion continued regarding the Letter of Support under 4.2.1 on the boilerplate and #2 under optional criteria and the importance of a letter to come from a local Community Management Team. The Committee recommended that the CMT letter demonstrates important support and partnerships and requested it be considered mandatory not optional. The SWIB did a lot of work to certify and require these partnerships and want to be consistent in messaging their importance.

Mr. Cooney recommended the CMT letters be inserted under page #4 Scope of Project: Work Plan & Method of Providing Services & Activities – also described on page 2 (#3b) Work Plan & Method of Providing Services & Activities.

Chair McGinley felt it wise to continue to have included up to 10 letter of support on page 1, #2 column three “optional” with a pass/fail component with the required letter from CMT now a part of the required part of work plan. Ms. Huseby confirmed that in the required Quarterly Status Reports, providers are required to address questions pertaining to their work with other service provider and partnership developments and/or enhancements. Chair McGinley asked the committee if “up to” ten letters were sufficient, the committee agreed by consensus.

The Committee inquired into clarification regarding the points and percentages for scoring and options for making changes. Staff confirmed that the 800 points are not the ceiling and percentages could be changes with the only caveat being the 20% under Fiscal Systems could NOT be lowered.

Mr. Cooney suggested a copy of the One-Stop Center partner Consortium Agreement was indeed a lengthy document and perhaps just the provision of the partner signature page may be sufficient. It was agreed by consensus that the signature page was adequate versus the need to provide the entire One-Stop CA. The Committee agreed to retain the Informational Attachments. .. Additionally, #1 under Process Elements to be left as is. Item #3 describing a Incomplete Proposals to be retained. The Committee inquired if the 70% scoring standard was new? Staff stated that this range was established in 2007 with 60-74% fair. The committee voted to retain the 70% - 84% as do not want to have a lot of fair responses.

The Committee concurred to keep the offerors conference – explained as an extra tool to help bidders provide good proposals.

Committee discussion included recommended raising the percentages under Demonstrated Effectiveness to 10% and lower by 5% under the Scope of Project to 40%, because they want to recognize and reward good work. The question arose regarding how this information is verified? Ms Yankoff informed the Committee that this question is addressed under Financial Systems. Bidders are asked to report any previous fiscal or program monitoring findings. There have been providers who have had corrective action in the past however it is the job of WIA Staff to establish action plans so they can do what needs to be done. The goal is not to shut down but improve service.

Recommended changes as follows:

Under Optional:

1. Retain #1 of the executive summary
2. CMT letter as part of a requirement (in section 4) –Required
3. Leave up to 10 letter of support – optional

Informational Attachment: Retained

Process Elements: Retained

Required Criteria:

1. #2 - Demonstrated Effectiveness Performance adjusted from 5% to 10%
2. #4 - Scope of Project down from 45 to 40% with Letter from CMT required.

Ms Huseby stated that she will change the point breakout and adjust them on the form

Chair McGinley motioned to approve the changes in this request for proposal (RFP) scoring, Rep Kelly Flynn approved, with a second from Mike DesRosier.

All were in favor and the motion carried. No public comment

## **V. New Business**

Leisa Smith, Director of the SWIC, stated that she will keep committee members updated on the RFP process. Chair McGinley will be presenting the recommendation at the full Board Meeting. Staff will prepare talking points outlining the Committee's Recommendations.

Meeting adjourned at 11:44 a.m.