



Board Agenda Item 73

DATE: September 22, 2020
TO: Board of Supervisors
SUBMITTED BY: Delfino E. Neira, Director, Department of Social Services
SUBJECT: Agreements for Job Creation and Employment Services

RECOMMENDED ACTION(S):

TITLE

- 1. Approve and authorize the Chairman to execute a Master Agreement for Expanded Subsidized Employment, effective October 1, 2020 through September 30, 2025, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$15,000,000.**
- 2. Authorize the Department Director or designee to add or delete Contractors from the Expanded Subsidized Employment Master Agreement.**
- 3. Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as the Fresno County Economic Development Corporation owns a proprietary website essential to the Expanded Subsidized Employment program.**
- 4. Approve and authorize the Chairman to execute an Agreement with the Fresno County Economic Development Corporation for job creation, marketing, subcontracted training, and website maintenance, effective October 1, 2020 through September 30, 2025, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$8,880,250.**

There is no additional Net County Cost associated with the recommended actions. Approval of the first and second recommended actions will allow the Department to contract with qualified employers to hire California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare To Work (WTW) participants as well as grant the Department Director or designee the authority to make necessary additions and deletions to the master list of qualified employers on an ongoing basis.

Approval of the third and fourth recommended actions will allow the Economic Development Corporation (EDC) to market employment-ready CalWORKs WTW participants and the Department's Expanded Subsidized Employment (ESE) Program to local businesses, maintain the Ready2Hire jobs matching website, identify and coordinate training courses for CalWORKs WTW participants for anticipated industry employment needs, and attract businesses to expand or relocate to Fresno County. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board could choose not to approve these agreements. If your Board does not approve the recommended actions, it will reduce the employment rate of CalWORKs WTW participants, limit new

employment trainings to fulfill future industry needs, and end the marketing campaign to engage businesses in employing CalWORKs WTW participants. The funding would be redirected to other WTW program services provided by the Department.

SUSPENSION OF COMPETITION:

The Department's request to waive the competitive bidding process is consistent with Administrative Policy No. 34 as EDC owns the Ready2Hire Website, which is essential to the ESE program. Ready2Hire pairs employers with candidates for employment, invoice for employee wages, and process over 100 invoices for subsidized wages every month. The ISD - Purchasing concurs with the Department's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. If approved, the aggregate maximum compensation of the first recommended action, the ESE Agreement, is \$15,000,000 over the five years of the Agreement, or a maximum of \$3,000,000 for each 12-month period. If approved, the aggregate maximum compensation of the fourth recommended action, the EDC Agreement, is \$8,880,250 over the five years of the Agreement, or a maximum of \$1,776,050 for each 12-month period. All costs will be 100% offset using CalWORKs Single Allocation and Expanded Subsidized Employment funds. Sufficient appropriations and revenues are included in the FY 2020-21 Adopted Budget for the Department of Social Services, Org 5610, and will be included in subsequent years' recommended budgets.

The County will have a required Maintenance of Effort (MOE) of \$4,022,882 for the CalWORKs Program in FY 2020-21. Once the MOE has been met, all expenses over and above that amount will be 100% funded with State and Federal dollars up to the amount of the annual CalWORKs Allocation. Social Services Realignment Funds will be utilized to meet the CalWORKs MOE.

DISCUSSION:

The ESE program subsidizes wages for CalWORKs WTW participants hired by local businesses and offsets the businesses' costs of onboarding new employees. ESE provides businesses in the community an opportunity to work with CalWORKs WTW participants who may have minimal job history to build a resume and ultimately gain unsubsidized employment.

Subsidized employment placements are twenty-six weeks in length but may be extended to fifty-two weeks if qualifying requirements are met. Reimbursement rates to the employers are based on a thirteen-week staggered tier system: 100% for the first thirteen weeks with a 25% reduction for every thirteen weeks after until the potential fifty-two-week limit is reached. Placements with employers are made with the goal that the participant will continue employment permanently at the end of twenty-six weeks.

Approval of the first recommended action will allow the Department to enter into a Master Agreement with qualified businesses to hire CalWORKs WTW participants for permanent, non-seasonal, full-time (35+ hours per week) positions. It is anticipated that the Department will work with approximately 150 employers in the ESE Program.

Approval of the final recommend action will allow the EDC to promote, market, and recruit businesses for the ESE program. EDC will update and maintain the Ready2Hire website, develop vocational trainings, and assist the community with job creation by recruiting, facilitating site tours, and providing economic information to local, national, and international businesses interested in relocating or expanding to Fresno County.

The EDC will promote and market the ESE program to local businesses through marketing events held

throughout the year and by calling and visiting businesses in the County. The EDC has extensive knowledge of the benefits of hiring CalWORKs WTW clients, including tax incentives. The EDC will serve as the sole liaison between the Department and businesses participating in the ESE program. They will assist the Department by collecting, reviewing, and executing all contract-related required documentation.

The EDC will continue being the liaison between the Department and the businesses contracted on the ESE Master Agreement after execution. They will notify the Department of any issues that arise with the CalWORKs WTW participant so that Job Specialists can address the problem immediately. This partnership between the businesses and Job Specialist staff resulted in 89% of CalWORKs WTW participants successfully retaining their job post-placement period in FY 2019-20.

The EDC will also conduct regular industry surveys to determine job trends and identify training providers and partners to prepare CalWORKs WTW participants for high-demand jobs. EDC currently coordinates the Department's Truck Driver and Pre-Apprenticeship Trainings as well as locates job leads for CalWORKs WTW participants in each industry. During FY 2019-20, 95% of participants who completed one of these trainings found a job in the corresponding sector.

Upon approval by your Board, the recommended agreements will be effective October 1, 2020, through September 30, 2023, with two optional one-year renewal terms. Either party, upon providing 30-days advance written notice, may terminate the agreement without cause.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - ESE Master Agreement
On file with Clerk - EDC Agreement
Suspension of Competition Form

CAO ANALYST:

Ronald Alexander