



DATE: May 23, 2012
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 12-09
Authorizing a Subrecipient Contract with Worksystems, Inc. for up to \$1.4 million to implement Economic Opportunity Initiative youth workforce development services during FY 2012-13

BOARD ACTION REQUESTED

Adopt Resolution No. 6945

ACTION DESCRIPTION

This action will authorize the Executive Director to sign a Subrecipient Contract with Worksystems, Inc. (WSI) for up to \$1.4 million for the purpose of implementing and managing the Economic Opportunity Initiative (EOI) youth workforce development services during FY 2012-13. Such action will align two systems that were formerly implemented independently, create efficiencies for service providers, and build capacity for youth work experience opportunities. The Subrecipient Contract requires that WSI implement a youth workforce development system that serves low income, barriered youth ages 16 to 21. The Contract further requires WSI to adhere to federal regulations regarding the use of Community Development Block Grant (CDBG) funds, to regularly report to PDC about system accomplishments, challenges and outcomes, and to regularly involve PDC in policy discussions about the new youth workforce development system.

Approval of the Board is required to authorize the Executive Director to sign a grant over \$500,000.

BACKGROUND AND CONTEXT

Since July 2009, PDC has operated the Economic Opportunity Initiative (EOI), a program aimed at raising the incomes of low-income individuals through workforce and microenterprise development activities. The EOI promotes achievement of PDC's Social Equity goal by targeting workforce and microenterprise development services to low-income individuals; more than half of those served through the program are persons of color. Funding for EOI is from City of Portland General Fund and federal Community Development Block Grant (CDBG) funds allocated to PDC by the City of Portland. In FY 2012-13, PDC anticipates receiving approximately \$3.67 million from the City for the Economic Opportunity Initiative as a whole and allocating up to \$1.4 million for youth workforce development services.

In June 2011, PDC and WSI staff began a collaborative process to explore if and how the WSI and PDC youth workforce development programs might be aligned. In this process, we discovered that PDC and WSI both:

- Have the same level of funding investments in Multnomah County
- Serve approximately the same number of youth
- Target services to low-income, disconnected youth
- Work with the same non-profit organizations to provide workforce development services to youth

We also found that there are significant inefficiencies in having two separate youth workforce development systems, including:

- Providers navigating two sets of youth workforce development rules
- Providers using two different reporting systems, deadlines and rules
- A lack of consistent outcome measures that has hampered our ability to tell our story to potential funding partners

With these findings PDC and WSI staff continued to work together to articulate how our two systems could be aligned. In the fall of 2011, staff from PDC and WSI recommended to PDC leadership, the Mayor's office and the WSI Executive Director an aligned system of youth workforce development services. Further we recommended that WSI administer the youth workforce development funds. These recommendations were accepted.

In February 2012, WSI issued a request for proposals (RFP) that was developed jointly by PDC and WSI staff to identify new providers for the aligned system. PDC participated in the proposal evaluation process and a list of recommended providers was presented to the WSI Board for approval on May 2, 2012. See Attachment A for a list of providers who responded to the RFP; those that were selected to become providers are highlighted yellow.

COMMUNITY AND PUBLIC BENEFIT

Subgranting funds to WSI for the delivery of youth workforce development services will place responsibility for administration of the City's youth workforce development resources with the agency whose mission is focused solely on workforce development. WSI has the capacity and expertise for this work and has committed to closely coordinate with PDC regarding the overall administration of the program.

The aligned system will continue to serve the same target population and provide the same key features of program design that have proven successful for such youth in the past. The target population for services will be low-income and barriered youth ages 16-21 and certain youth ages 22-24, who are disconnected from traditional high school or lacking the basic skills and credentials to enter college or career pathway employment.

Each provider will deliver supportive and individually tailored workforce development case management to youth for up to three years. Services to youth will include:

- Individual career plan development
- Education supports including remedial education, GED, and/or high school diploma
- Career exploration
- Work and college readiness training
- Work experience placement and support
- Post-secondary placement, navigation and support

- Job search assistance and placement
- Retention and advancement supports after job or post-secondary placement

Further, the aligned youth workforce development system builds new capacity to provide additional access to work experience opportunities for youth in the system through a new Work Experience Intermediary. The Work Experience Intermediary will, among other things, develop and match youth to appropriate work experience opportunities, and provide coaching to the youth and the employer as needed to achieve successful placements. Work experiences, are essential in learning the demands and expectations of the work environment, and exploring careers of interest in a safe and supportive context.

PUBLIC PARTICIPATION AND FEEDBACK

In December 2011, WSI and PDC released a Youth Workforce System framework which outlined the system goals, structure and outcomes. On January 6, 2012, WSI and PDC hosted a public meeting with more than 50 people in attendance representing 25 organizations, to seek feedback on the framework. Two follow-up meetings were conducted to seek additional feedback on the design elements related to the work experience components of the system. In addition, PDC and WSI staff participated in dozens of individual meetings and received written feedback from providers and the community. All of this feedback was considered in the development of the final request for proposals.

PDC coordinated with the Portland Housing Bureau, the City bureau that provides PDC with federal CDBG funds for the EOI program, throughout the process of developing the alignment framework and the RFP.

BUDGET AND FINANCIAL INFORMATION

PDC anticipates receiving approximately \$3.67 million in General Fund and Community Development Block Grant funds from the City of Portland for the Economic Opportunity Initiative for FY 2012-13. Of this amount, PDC further anticipates allocating up to \$1.4 million for youth workforce development programming in FY 2012-13. This includes approximately \$463,000 in Community Development Block Grant and \$890,922 in General Fund. Funds will be spent by WSI as shown below in Table 1.

Table 1: Budget for EOI Youth Workforce Development Services

	Total
Program Delivery (personnel, information management system, etc)	\$93,375
Youth Provider Subcontracts	\$1,155,077
Indirect Costs	\$104,738
<i>Total Estimated Expenses</i>	<i>\$1,353,190</i>

RISK ASSESSMENT

While the alignment of youth workforce development services offers many benefits, it also comes with some risks. The most significant risk is a loss of direct control over the program design and administration. Further, as with any substantial system change there is likely to be a period of transition where service delivery is not at its optimal state and unforeseen challenges must be addressed. Both of these risks are being mitigated by having an annual agreement with WSI that specifies PDC's ongoing involvement in WSI's Youth Council, and regular coordination meetings between PDC and WSI to discuss program administration and program start-up challenges. WSI and PDC staff have built a strong relationship in the process of collaborating on the design of the new youth workforce development system. This foundation will help both entities navigate their new relationship in an open and transparent manner.

ALTERNATIVE ACTIONS

If PDC were not to enter into this agreement with WSI the PDC would continue funding the current EOI youth projects for FY 2012/13 and issue a new PDC-only RFP in the winter of 2013. This action would not offer the benefits cited earlier.

ATTACHMENTS

- A. Youth Workforce Development RFP: Evaluation Process and Outcomes

Youth Workforce Development RFP: Evaluation Process and Outcomes

Evaluation Process

Responses to the Youth Workforce Development RFP were evaluated by representatives of WSI's Youth Council. The Youth Council is a broad and diverse group with members representing the private sector, school districts, organized labor, Multnomah County, Washington County, the City of Portland, funders and community thought leaders.

Committee members reviewed the proposals independently using common evaluation scoring criteria and then met together to discuss each proposal and compare individual findings. Their individual scores were averaged to create final rankings which are listed below.

On May 2, 2012, the WSI Board approved staff to enter into contract negotiations with the following organizations highlighted in yellow. The Board also directed staff to include in their negotiations with New Avenues consideration of a collaborative approach and enhanced services to youth served through Multnomah County's Homeless Youth Continuum.

Final Evaluation Committee Scores

The total scores reflect the average of each evaluator's individual score.

Multnomah County Service Coordination	
Organization	Final Score
Open Meadow	91.38
New Avenues for Youth	88.25
Portland Youth Builders	88.00
Portland Opportunities Industrialization Center (POIC)	86.88
Native American Youth Family Center (NAYA)	84.88
Immigrant and Refugee Community Center (IRCO)	84.00
Outside In	82.50
Friends of Children	82.38
Mt Hood Community College (MHCC)	80.25
Self Enhancement, Inc.	77.38
SE Works	75.88
PCC Prep	75.00
Mt Scott Learning Center	73.38
NW Family Services	63.50
Latino Network	59.75
Step it Up	58.50
Multnomah Education Service District (MESD)	57.86

Washington County Service Coordination	
Organization	Final Score
Oregon Human Development Organization	86.71
Hillsboro School District	77.14

Work Experience Intermediary	
Organization	Final Score
Immigrant and Refugee Community Center (IRCO)	89.43
New Avenues for Youth	89.14
Portland Opportunities Industrialization Center	85.57
SE Works	78.14
Mt Hood Community College	77.43
Hillsboro School District	68.43

This was a very competitive process and the selected respondents submitted the most clearly written and responsive proposals which demonstrated their depth of experience, history of past performance, understanding of all of the components of the requested services, and a compelling approach to delivery. However, two current EOI and WSI contractors were not selected to provide service in the new youth workforce development system: SE Works and Outside In. WSI is considering how best to provide for a transition of SE Works and Outside In clients and there will be more discussion on this in the coming days/weeks.