



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Approve NOVA as Adult and Dislocated Worker Career Services Provider at Sunnyvale Job Center and Operator for NOVA Workforce Development Area

#### **BACKGROUND**

The State, under the direction of the federal Workforce Innovation and Opportunity Act (WIOA), requires that a local board or administrative entity submit two separate and distinct applications to serve as an Adult and Dislocated Worker Career Services Provider at the America's Job Center of California (AJCC) locations and to be an AJCC Operator, as they are two different functions.

The State issued guidance relative to the selection of the Adult and Dislocated Worker Career Services Providers at the America's Job Center of California (AJCC) locations. The roles and responsibilities of the Career Services Provider are to directly provide basic career services to job seekers that include intake, orientation, assessments and employment services; individualized career services including case management and individual employment plans; and managing the day-to-day procedures of the AJCC job center. A local board or administrative entity (NOVA) has the flexibility to provide services itself with the approval of the Workforce Board (NOVA Workforce Board), Chief Elected Official (Sunnyvale City Council) and the Governor. While encouraged, competitive procurement of this service is not required. In 2017, the Council approved of NOVA's application to serve as the Career Services Provider for the NOVA Job Center in Sunnyvale at its February 28, 2017 meeting, which was later approved by the State. In 2021, State Directive WSD19-13 requests that local boards or administrative entities reapply to serve as a Career Services Provider.

The State also issued guidance relative to the selection of the AJCC Operator for the local workforce development areas. The roles and responsibilities of the AJCC Operator include coordinating service delivery of required AJCC partners and service providers; and ensuring the implementation of partner responsibilities and contributions agreed upon in the WIOA Memorandum of Understanding. A local board or administrative entity (NOVA) may serve as the AJCC Operator with the approval of the Workforce Board (NOVA Workforce Board), Chief Elected Official (Sunnyvale City Council) and the Governor. While the intent of the State and WIOA is to competitively procure the AJCC Operator, the Uniform Guidance allows for instances in which alternative procurement methods may be permitted that include sole source procurement. In 2018, the Council approved of NOVA's application to serve as the AJCC Operator for the NOVA workforce development area through sole source procurement at its June 26, 2018 meeting, which was later approved by the State. In 2021, State Directive WSD19-13 requests that organizations, who were approved to be an AJCC Operator through sole source procurement, reapply to serve as the AJCC Operator.

#### **EXISTING POLICY**

Council Policy 5.1.1: Socio-Economic - Goals and Policies: Education and Training Goal 5.1F:

Provide job training and employment services, within constraints of operative Federal regulations and available Federal funding, to address the locally-determined employment and training needs of economically disadvantaged residents and others with special needs.

## **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental, organizational or administrative activity that will not result in direct or indirect changes in the environment.

## **DISCUSSION**

### **NOVA as Adult and Dislocated Worker Career Services Provider**

In response to State Directive WSD19-13, NOVA will be submitting an application (Attachment 1) to the State to continue to serve as the AJCC Adult and Dislocated Worker Career Services Provider at the NOVA Job Center in Sunnyvale. It intends to continue to solicit proposals for career services in San Mateo County through a competitive procurement process.

There are several factors that guided NOVA’s decision to reapply to be an Adult and Dislocated Worker Career Services Provider at the NOVA Job Center in Sunnyvale:

- 1) **Demonstrated Experience:** NOVA has over thirty-five years of demonstrated experience and expertise directly providing the highest quality and most beneficial mix of adult and dislocated worker career services at the NOVA Job Center in Sunnyvale to Silicon Valley’s residents and employers.
- 2) **Effectiveness and Accountability:** NOVA has consistently met and exceeded its performance measures in delivering exceptional career services to adults and dislocated workers. It has routinely received high scores in all of its customer satisfaction surveys in the services it provides to customers and the unique approach and customer service it deploys to deliver these services.
- 3) **Efficiencies:** NOVA utilizes the integrated service delivery model that enables NOVA to serve more customers. This differs from other workforce areas and providers that apply the case management model and serve fewer customers. The result is NOVA’s cost per customer is significantly lower than other workforce areas. In addition, funding is prudently expended; NOVA has never had any disallowed costs.
- 4) **Administrative and Fiscal Oversight:** The Council serves as the Chief Elected Official for the NOVA consortium, with the City serving as the administrative and fiscal agent for NOVA. The City’s fiscal structure is highly regarded throughout the state and nation and has won awards for its innovative and forward-looking approach to municipal finances. The NOVA Workforce Board, distinguished by the State as a high performing board, in partnership with the City, performs effective monitoring and evaluation according to WIOA and an agreement between the City and the Board. Conflict of interest codes and policies and necessary firewalls ensure the highest degree of exemplary oversight, with extensive internal checks and balances.
- 5) **City Policy:** The NOVA Job Center in Sunnyvale is staffed by City employees. The Council Policy Manual 7.3.6 established guidelines for considering alternative methods for service delivery according to superior service value and defines superior service value as better service at lower cost; better service at equal cost; or equal service at lower cost. In order to factor in the intangible benefit of providing services by City staff (the vested interest of employees working directly for the City, the speedier response to City concerns, direct control of employees, etc.), as well as an added cost of delivering services by contract (contract

administration), the cost or service differential for an outsider bidder should exceed 10% in order to meet the test of superior value. Given NOVA's superior services provided at a significantly lower cost than comparable entities, the prudent decision is for NOVA to continue to directly provide adult and dislocated worker career services at the NOVA Job Center in Sunnyvale.

#### NOVA as the AJCC Operator

In response to State Directive WSD19-13, NOVA will be submitting an application (Attachment 2) to continue to serve at the AJCC Operator for the NOVA workforce development area through sole source procurement. NOVA proposes to coordinate the service-delivery activities of the AJCC required partners and service providers by convening and facilitating quarterly partner meetings to ensure effective delivery of services to shared customers. In addition, it will build relationships and serve as a hub for information sharing across partners to promote cohesiveness and continuity.

There are several factors that guided NOVA's decision to reapply to serve as the AJCC Operator for the NOVA workforce development area through sole source procurement:

- 1) **Insufficient Qualified Sources:** In the high-cost environment of Silicon Valley with low unemployment and poverty resulting in low WIOA formula funding allocations for the NOVA workforce development area, the pool of potential organizations interested in bidding on the small amount of funding that is available for the AJCC Operator service (approximately \$15,000) would be relatively small and insufficient for a competitive procurement. In addition, organizations often have difficulty understanding WIOA mandates that govern the local workforce development system and its partner agencies, which often discourages potential bidders from applying to operate WIOA-funded services. It would also require a steep learning curve to effectively perform identified responsibilities. This was demonstrated during a previous competitive procurement process for the AJCC Operator services that had to be repeated twice. There are insufficient qualified sources to provide AJCC Operator activities and, as such, NOVA is applying to continue to serve as the AJCC Operator through sole source procurement.
- 2) **Performance:** NOVA has over thirty-five years of demonstrated experience and expertise meeting and exceeding its WIOA performance measures and regularly achieves high scores in all of its customer satisfaction surveys. It also works closely with and encourages active participation of all sectors in the community in the provision of such services. Serving as the current AJCC Operator, NOVA successfully worked with the AJCC partner agencies in identifying an effective referral process for making customer referrals to other programs and services; launched an extensive training program to train partners on each other's programs and eligibility requirements and online job search tools; problem-solved issues of shared concern; and designed a new website customized for AJCC partners that contains a vast array of workforce development resources. NOVA has also built effective working relationships among partners through regular networking meetings (held remotely during the pandemic) and by serving as an important portal for information sharing and conflict-resolution. NOVA is knowledgeable of and complies with WIOA and other local, state and federal policies and regulations. It is accountable to its customers, partners, NOVA Workforce Board, City of Sunnyvale, and funders. It is doubtful that any organization could come close to providing this level of quality services and achieve these same efficiencies.

NOVA is the only provider that can serve as the AJCC Operator who possesses a thorough knowledge of WIOA and the local service-delivery system and effective relationships with the AJCC partner community demonstrated through letters of support included in the application. Additionally, NOVA has an established administrative structure to ensure internal controls and standards, enforcement of conflict of interest codes, and necessary firewalls to maintain integrity and accountability in providing this service.

At its January 27, 2021 meeting, the NOVA Workforce Board approved of NOVA as the adult and dislocated worker career services provider for the NOVA Job Center in Sunnyvale and the AJCC Operator for the NOVA workforce development area.

### **FISCAL IMPACT**

No fiscal impact.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Approve NOVA as the Adult and Dislocated Worker Career Services Provider at the Sunnyvale Job Center and Operator for the NOVA workforce development area.

Prepared by: Eileen Stanly, Analyst, NOVA Workforce Services  
Reviewed by: Kris Stadelman, Director, NOVA Workforce Services  
Reviewed by: Jaqui Guzmán, Deputy City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Application: Request for Approval for America's Job Center of California Adult and Dislocated Worker Career Services Provider
2. Application: Request for Approval for America's Job Center of California Operator