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GET IN TOUCH

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June 10, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO EXECUTE NEW SOLE
SOURCE AGREEMENTS AND EXTEND EXISTING
SOLE SOURCE AGREEMENTS WITH WORKFORCE
INNOVATION AND OPPORTUNITY ACT SERVICE
PROVIDERS (ALL DISTRICTS) (3 VOTES)**

SUBJECT

County of Los Angeles (County) Department of Economic Opportunity (DEO) seeks approval to extend and enter into sole source agreements with existing agencies for various Workforce Innovation and Opportunity Act (WIOA) services, including providers for the 1) America's Job Centers of California (AJCC), 2) Business Technical Assistance (BTA) and the 3) Employment Training Provider List (ETPL) Programs. DEO also seeks delegated authority to amend existing Intermediary Agreements with the local Workforce Development Boards to provide workforce development services to adults, youth and other eligible populations throughout the County and to accept possible additional emergency grant funds related to the January 2025 Wildfires.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DEO, or designee, to extend the existing sole source Subawards with Hub Cities Consortium (HCC) and Catholic Charities of Los Angeles, Inc. (CCLA), for the provision of AJCC services in the Southeast Los Angeles (SELA) and East Los

Angeles/West San Gabriel Valley (ELA/WSGV) Subregions, respectively, in the anticipated amounts listed in Attachment A, after County Counsel approval as to form, effective July 1, 2025 through December 31, 2025, with an option to extend for one (1) additional six (6) month period, through June 30, 2026. DEO shall provide written confirmation to your Board and the Chief Executive Office (CEO) within thirty (30) working days of completing these actions.

2. Delegate authority to the Director of DEO, or designee, to enter into a sole source Subaward with South Bay Workforce Investment Board (SBWIB), for the provision of ETPL services, in the anticipated amount on Attachment A, after County Counsel approval as to form, effective July 1, 2025, through December 31, 2025, with an option to extend for an additional six (6) months, through June 30, 2026. DEO shall provide written confirmation to your Board and the CEO within thirty (30) working days of completing these actions.
3. Delegate authority to the Director of DEO, or designee, to enter into a sole source Subaward with Los Angeles Economic Development Corporation (LAEDC), for the provision of BTA services, in the anticipated amount on Attachment A, after County Counsel approval as to form, effective July 1, 2025 through December 31, 2025, with an option to extend for an additional six (6) months, through June 30, 2026. DEO shall provide written confirmation to your Board and the CEO within thirty (30) working days of completing these actions.
4. Delegate authority to the Director of DEO, or designee, to execute amendments with HCC, CCLA, SBWIB and LAEDC as follows: 1) add new, relevant or updated Federal, State and/or County Subaward terms; and 2) increase or decrease the Subaward amounts that may exceed 10% based on the availability of funding and/or based on Subrecipient's performance provided that: (a) total allocation does not exceed available funding; and (b) DEO obtains County Counsel approval as to form of the amendment. These actions would ensure full expenditure of workforce funds and are consistent with your Board's policy requiring review of each service provider's performance. DEO shall provide written confirmation to your Board and the CEO within thirty (30) working days of completing these actions.
5. Delegate authority to the Director of DEO, or designee, to execute Intermediary Agreement (IA) amendments with the six (6) Workforce Development Boards (WDBs) listed on Attachment B, as follows: 1) add new, relevant or updated Federal, State and/or County Contract terms; 2) implement the option(s) to extend the IAs as outlined in the executed agreements; and 3) increase or decrease the Contract amounts that may exceed 10% based on the availability of funding and/or based on Contractor's performance provided that: (a) total allocation does not exceed available funding; and (b) DEO obtains County Counsel approval as to form of the amendment. These actions would ensure full expenditure of workforce funds and are consistent with your Board's policy requiring review of each service provider's performance. DEO shall provide written confirmation to your Board and the CEO within thirty (30) working days of completing these actions.
6. Delegate authority to the Director of DEO, or designee, to accept new or additional emergency grant funds for workforce services from State and Federal sources including, but

not limited to, the California Employment Development Department (EDD). DEO shall provide written confirmation to your Board and the CEO within thirty (30) working days of completing these actions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DEO is seeking authority to execute the temporary sole source subawards indicated in this Board Letter while the department completes competitive procurement processes to select providers for these programs. The AJCC system serves as the federally mandated, all-inclusive access point to employment and training programs aimed at providing demand-driven skills attainment and career pathway opportunities, especially for individuals with barriers to employment. The system and its existing service providers have been instrumental in placing thousands of individuals in employment and training programs throughout the County. In March of 2023, DEO released the AJCC Modernization Request for Proposals (RFP) and new agreements with successful proposers began October 1, 2024. However, two (2) of the eight (8) Subregions, SELA and ELA/WSGV were under protest for over a year and given the complexity of the protests, DEO opted to re-release the AJCC procurement for these two (2) Subregions in February 2024. Given the time that it takes to complete the RFP process, including the resolution of possible protests that are expected, DEO is requesting to extend the current sole source agreements with HCC and CCLA, current AJCC providers for the SELA and ELA/WSGV Subregions, respectively. DEO currently contracts with six (6) agencies to operate sixteen (16) AJCCs and Affiliates, including HCC and CCLA. The current Subawards with HCC and CCLA expire June 30, 2025.

Mandated under WIOA Section 122, the ETPL establishes a list of pre-qualified training vendors that the AJCC providers can use to provide training services to eligible adults, dislocated workers and out-of-school youth. The objective of the ETPL is to foster demand-driven skills attainment through training programs that aligns with the State's and County's industry sector needs in order to provide employers and businesses with the skilled workforce necessary to compete in the economy. It also ensures that populations in need have access to marketable skill sets and are able to access the level of education necessary to obtain employment that ensures both long-term economic self-sufficiency and economic security. The agreement with the current provider, SBWIB, ends on June 30, 2025.

The BTA Program's objective is to identify businesses that are in financial, managerial, locational and/or operational stress that could result in a single layoff. The BTA provider provides business assessments, direct business services and facilitates linkages to appropriate local partners, ultimately strengthening the businesses operations. DEO currently holds four (4) Subawards with the current provider (one (1) for each of the four (4) service areas covering the entire County), LAEDC, which will end on June 30, 2025. DEO seeks to enter into new sole source Subawards with SBWIB and LAEDC while DEO completes the respective procurements.

On June 4, 2024, your Board approved the execution of Intermediary Agreements (IAs) with the six (6) WDBs in Los Angeles County to provide employment and training services to adults, youth and other eligible populations throughout the County. The letter approved by your Board did not include the request to delegate authority to amend the IAs to incorporate or amend

necessary Subaward terms and/or add or reduce funding. This board letter seeks to incorporate that necessary action.

The last recommendation provides DEO authority to except any additional or unanticipated grant funding for workforce development services from the Employment Development Department or other State and Federal sources.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations are consistent with the principles of the Countywide Strategic Plan:

- North Star 1: Make Investments that Transform Lives by supporting social mobility, economic and workforce development, job training, meaningful connections, and access to employment opportunities with sustainable wages for County residents, with emphasis on those who are experiencing barriers to employment or the ability to earn a sustainable wage, and support small and large business growth to maintain job supply; and
- North Star 3: Realize Tomorrow's Government Today by striving to meet the highest standards and promote a more diverse and inclusive County workforce that seeks to be representative of County residents.

FISCAL IMPACT/FINANCING

DEO's workforce services are funded by numerous funding streams including WIOA, Measure H, Department of Probation Juvenile Justice Prevention Act (JJCPA), Net County Cost and Los Angeles County Department of Social Services Temporary Assistance to Needy Families (TANF). Program funds that are federally funded have been assigned an Assistance Listing Number as identified below. The ETPL and BTA programs are fully funded by WIOA federal funds. All funding streams have been included in the department's FY 25-26 budget. DEO is not seeking additional or an increase to its NCC allocation for the Programs listed in this Letter:

- WIOA Adult funds (includes Veterans): 17.258, Federal grantor is Department of Labor (DOL)
- WIOA Dislocated Worker funds (includes Rapid Response): 17.278; Federal grantor is DOL
- WIOA Youth funds; 17.259; Federal grantor is DOL
- TANF funds: 93.558; Federal grantor is Health and Human Services
- JJCPA and INVEST funds: State of California is the grantor
- Measure H funds: Local funds from Chief Executive Office

FACTS AND PROVISIONS/LEGAL REQUIREMENTS/NEXT STEPS

On July 22, 2014, WIOA (Public Law 113-128) was signed into law, becoming the first legislative reform of the public workforce system since the Workforce Investment Act of 1998. WIOA tasked the County with meeting several new requirements to ensure the effective delivery of services, including: measuring effectiveness in serving employers and businesses; prioritizing services to disconnected youth, those on public assistance, those with disabilities, and the formerly incarcerated; establishing partnerships and business-responsive skills development trainings with local educational institutions; aligning services, funding, program tracking, and outcome measurement with the thirteen (13) mandated WIOA partner programs; co-locating, resource sharing, and establishing functional operations among WIOA-mandated partners from different agency cultures in a single AJCC facility; and establishing career pathways within high-growth industry sectors to positively impact the local economy.

Both the BTA and ETPL Programs were competitively procured in March of 2022. DEO will continue with the finalization and release of the respective procurements and plan on releasing the RFPs within the first quarter of FY 25-26.

CONTRACTING PROCESS

HCC and CCLA were procured to provide workforce employment and training services in 2016. On June 6, 2023, DEO received approval to extend the Subawards with the then current service providers (Subrecipients) to complete the new AJCC Modernization RFP process. The delay in releasing the AJCC Modernization RFP was due to multiple challenges the department was facing at the time (i.e. COVID-19, transitioning to the newly developed DEO, and re-assessment of the County's workforce system).

On March 30, 2023, DEO released the AJCC Modernization RFP, which resulted in the award of seven (7) new Subawards in seven (7) of the nine (9) subregions being procured, with the exception of the ELA/WSGV and SELA Subregions. Both of these Subregions were subject to lengthy protests, and DEO determined it was in the County's best interest to re-release the RFP for the two (2) protested Subregions. The AJCC RFP for the SELA and ELA/WSGV Subregions was released on January 21, 2025, and is still underway and given the amount of time the protest process takes, it is not expected to be completed prior to June 30, 2025.

The current Subawards with SBWIB and LAEDC for the provision of ETPL and BTA Program services, respectively, were individually procured in March of 2022 and were due to be reprocured in 2025. Due to the January 2025 Wildfires in Altadena and Pacific Palisades, the usual departmental resources and efforts that were dedicated to the respective RFPs were redirected to ensure emergency services were being provided to impacted fire areas. This has resulted in the delay of the development and finalization of the ETPL and BTA procurements. Upon your Board's approval, DEO will enter into sole source Subawards with SBWIB and LAEDC for the continued provision of ETPL and BTA Program services, respectively.

MONITORING REQUIREMENT

Fiscal, programmatic, and administrative monitoring of Subrecipients is conducted annually to ensure Subaward compliance. Fiscal, program, and administrative monitoring is overseen by DEO's Contract Compliance Division, which contracts with either the County of Los Angeles Auditor-Controller or a CPA firm procured through the Auditor-Controller's Master Agreement to conduct the monitoring on behalf of DEO.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow for the continued provision of workforce development and employment services, ETPL and BTA Program services to Los Angeles County residents and businesses.

CONCLUSION

Should you have any questions, you may contact me directly, or your staff may contact Kevin Anderson, Program Manager of Policy and Strategy at KAnderson@opportunity.lacounty.gov.

Respectfully Submitted,

A handwritten signature in black ink that reads "Kelly LoBianco". The signature is fluid and cursive, with the first name "Kelly" and last name "LoBianco" clearly distinguishable.

Kelly LoBianco
Director

KL:JK:MY:jd

Attachments

c: Executive Office, Board of Supervisors
 Chief Executive Office
 County Counsel

**County of Los Angeles
Department of Economic Opportunity
AJCC, ETPL and BTA Sole Source
FY 25-26 Funding Recommendations**

	Agency Name	Subregion	Program	Initial Funding Amount	Maximum Funding Amount*
1	Catholic Charities of Los Angeles	East LA/West San Gabriel Valley	AJCC	2,450,000	4,900,000
2	Hub Cities Consortium	Southeast Los Angeles	AJCC	2,525,000	5,050,000
3	South Bay Workforce Investment Board	Countywide	ETPL	45,000	90,000
4	Los Angeles Economic Development Corporation	Countywide	BTA	472,000	944,000
Total				5,492,000	10,984,000

*This amount represents maximum funding if all options to extend were executed.

AJCCs - Initial term: six (6) months and one (1) six (6) month options to extend

ETPL and BTA - Initial term: six (6) months and one (1) six (6) month option to extend

Intermediary Agreements - Workforce Development Boards

Workforce Development Boards (WDBs)
City of Los Angeles WDB - Economic & Workforce Development Department
Pacity Gateway (Long Beach) WDB
Foothill WDB
Southeast Los Angeles County WDB
South Bay WDB
Verdugo WDB

SOLE SOURCE CHECKLIST

Department Name: Dept Economic Opportunity

☐

New Sole Source Contract

☒

Sole Source Amendment to Existing Contract

Date Existing Contract First Approved:

5/3/22

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
☐	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
☐	➤ Compliance with applicable statutory and/or regulatory provisions.
☐	➤ Compliance with State and/or federal programmatic requirements.
☐	➤ Services provided by other public or County-related entities.
☐	➤ Services are needed to address an emergent or related time-sensitive need.
☐	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
☐	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
☒	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
☐	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
☐	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
☐	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
☐	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Michael J. Martinez

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Chief Executive Office

5/3/22

Date

SOLE SOURCE CHECKLIST

Department Name: Depart Economic Opportunity



New Sole Source Contract



Sole Source Amendment to Existing Contract

Date Existing Contract First Approved: _____

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Michael J. Martinez

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Chief Executive Office

Date