IV (B) (2)

Rapid Response-Funded Requests for Proposals (RFP)

[Action]

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Memorandum

TO: work2future Board of Directors

FROM: B.J. Sims,
Business Services Manager

SUBJECT: **Rapid Response Study Consultant Recommendation**

DATE: June 17, 2010

Approved Christopher Donnelly **Date** 6-10-10

RECOMMENDATION

Approve staff's recommendation to contract with BBC Research and Consulting (BBC), in an amount not to exceed $73,310 from American Recovery and Reinvestment Act (ARRA) Rapid Response funds, to provide a rapid response study to include an index of the most and lease effective outreach methods and services, an Early Warning Network based on key indicators of companies that are at risk of downsizing or closure, and focus group assessments to offer insights into rapid response services and opportunities for procedural and policy improvements.

BACKGROUND

A Request for Proposal (RFP) was released by work2future in collaboration with the North Valley Job Training Consortium (NOVA) to select a qualified consultant to research, analyze, and recommend creative strategies to address large-scale layoffs in the Silicon Valley region. work2future was the lead agency regarding the RFP procurement process.

RFP Process

The RFP was posted on the City of San Jose's BidSync, an online procurement portal, through the Department of Finance, and on the BOS website. The deadline for receipt of proposals was May 19, 2010. Interested firms were invited to submit questions through BidSync to clarify any questions regarding the RFP. No questions were submitted to BidSync during the question and answer period. work2future received six proposals that were subsequently screened for compliance with basic format and completeness requirements as stated in the RFP. Based on this Phase I evaluation, two proposals were disqualified: one proposal due to late submission and another due to failure to submit specific documents required in the RFP.

The remaining four proposals were then reviewed and scored in Phase II evaluation. The proposals were reviewed by an evaluation team that included two San Jose City staff from work2future and two staff from NOVA. Additionally, a work2future staff member served as a

facilitator during the evaluation sessions. Evaluation team members scored the proposals according to the three substantive criteria outlined in the RFP:

- Proposer's technical capabilities and experience (50 points possible)
- Proposer's planned approach and workplan (40 points possible)
- Proposed budget and costs to complete the scope of work (10 points possible)

In order to qualify for Phase III of the evaluation, proposals must first have met a pre-determined minimum score of 65 points. One proposal met that threshold and the evaluation panel concluded final scores based on Phase II evaluations. The evaluation panel determined that in-person interviews were not necessary.

BBC's proposal received the highest overall score and offered a comprehensive approach and workplan that exceeded expectations stated in the RFP's Scope of Work. BBC has strong, relevant experience with data analysis, market research, and effective outreach methods. BBC's proposal clearly identified methods to develop an analytical framework to create an Early Warning Network to predict business layoffs and/or closures in businesses with 50 or more employees. BBC has a clear understanding of how to improve the delivery of business resources through workforce investment boards like work2future and NOVA and the BusinessOwnerSpace.com (BOS) network. Since its founding in 1970, BBC has successfully undertaken more than 5,000 studies on a wide range of subjects. BBC has assisted a number of local and governments to design ways to improve the climate for businesses, including the Mountainland Economic Development District in Provo/Orem, Utah, the City of Austin, Texas, and the State of Colorado.

SCOPE OF WORK

With an overall loss of about 90,000 jobs during the current economic downturn, employment levels in Silicon Valley have recently dropped to 2005 levels. work2future and NOVA would like to prepare for additional firm closures and layoffs, and improve the rapid response assistance to meet these challenges. The RFP, supported by ARRA Rapid Response funding, centered upon the following deliverables:

1. **INDEX OUTREACH METHODS** – Utilizing existing sources of information relevant to rapid response in California and the nation, the consultant shall (i) gather, synthesize and identify the most effective and least effective outreach methods regarding the delivery of rapid response services to businesses, (ii) conduct a review and analysis of underutilized partners and other external entities that could be incorporated into an effective rapid response operation, and (iii) review issues surrounding better coordination between rapid response and the One-Stop Career Centers, including approaches taken by others, and (iv) develop a set of recommendations for work2future and NOVA.

   BBC plans to analyze already established relationships within local workforce areas and

partnerships with private organizations that provide job training, including employers and/or private training providers. BBC will then identify new opportunities to establish partnerships with private organizations, such as employers, economic development organizations and chambers of commerce, to gather information on changing workforce needs to ensure that training is current and relevant. Additionally, BBC will investigate additional ways to leverage training opportunities for dislocated workers and minimize duplication of training efforts.

2. **EARLY WARNING NETWORK** – One of the first steps in effective small business retention strategies is the establishment of early warning systems to identify and track firms and industrial sectors that may be in trouble, or that might benefit from early economic development assistance. The consultant shall (i) determine the key indicators of companies that are at risk of downsizing or closure, (ii) develop a process to track businesses with these early warning indicators and businesses in need of rapid response assistance, (iii) develop a framework to prioritize rapid responses efforts, and (iv) recommend strategies for the development and implementation of an early warning response system. Potential recommendations could include developing a layoff aversion survey to assess pre-feasibility of small businesses that may need technical assistance.

   BBC will work closely with work2future and NOVA to explore, design and produce an early warning network that includes a tracking system integrated with the existing EconoVue GIS/dashboard developed by work2future. Part of BBC's approach to explore possible indicators of large and small high-risk businesses, includes resources such as:

   - Company performance data from Dun & Bradstreet, Moody's Industrial Manual and Standard & Poors;
   - Unemployment filings;
   - City of San José Business Tax Searchable Database;
   - Utility usage rates;
   - Real estate sales, public loan defaults or bankruptcy filings;
   - Local resources including career centers (including One-Stop Career Centers), local news Business reports; and
   - Information from California's Dislocated Worker's unit and U.S. Department of Commerce's Industrial Outlook.

3. **ASSESSMENT** – Organize facilitated focus groups including employers, dislocated workers, and other stakeholders using participants and questions approved by work2future. BBC proposes to gather input from business owners/managers and human resource personnel, service providers, economic development entities and other community stakeholders. These focus groups will provide insights to improve:

   - Layoff aversion strategies and layoff plans;
   - Services for incumbent workers;
   - Mechanisms for reemployment;

- Short- and long-term assistance for dislocated workers;
- Opportunities for innovation;
- Capacity-building; and
- Reporting.

BBC will coordinate with City staff, including members from the RFP evaluation team, to develop focus groups to assess impacts of the current economic conditions, current programs and services, policy options, reactions to rapid response programs in other cities, and opportunities to build linkages to potential public and private sector partners. BBC will combine focus groups with executive interviews conducted in-person and over the phone. For hard-to-reach respondents such as corporate managers, in-depth interviews are a valuable tool for receiving feedback. Some of these interviews may be conducted with managers outside Silicon Valley depending on the location of corporate headquarters.

4. **REPORTING** – BBC will review reporting requirements and the means for communicating these requirements to employers. BBC will investigate the latest requirements and directives from the Governor, the State of California's Employment Development Department, the U.S. Department of Labor, Training and Employment, WIA and others. We will also review reporting procedures and identify any inefficiency in monthly and/or quarterly reporting. BBC will suggest strategies for reporting return on investment (ROI) including past performance, benefits and outcomes, exportability, cost effectiveness and sustainability. Demonstrating ROI is an important factor in receiving state competitive funds.

5. **RECOMMENDATIONS** – Provide appropriate recommendations to staff in order to make policy recommendations to address the challenges, impediments and opportunities regarding rapid response services and provide suggestions to improve rapid response policies and procedures. The recommendations will include conclusions from the analysis detailed above.

BBC will be responsible for developing and presenting its methodology, findings and policy recommendations as described for the deliverables above, and will present their report to various organizations and entities such as the work2future Board of Directors, the NOVA Board of Directors, relevant subcommittees, and the BOS steering committee.

It is recommended that the Board authorize staff to contract with BBC for an amount not to exceed $73,310 as stated in the RFP and BBC's proposal. The scope of work is anticipated to be completed by August 30, 2010.

B.J. Sims
Business Services Manager

cc: Amy Chan