



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: November 10, 2015

or Procurement Director Award

Contractor/Vendor Name (DBA): Arizona Commerce Authority

Project Title/Description:

Advanced Manufacturing Jobs Innovation Accelerator Challenge (AMJIAC)

Purpose:

To increase the supply of skilled Aerospace and Defense workers, and create On-the-Job Training (OJT), apprenticeship, and internship models for the Aerospace and Defense sector.

Procurement Method:

Program Goals/Predicted Outcomes:

Target resources to help prepare workers for occupations eligible to be filled by H-1B Visa workers; thus reducing the need for foreign workers and increasing the utilization of Arizona workers. Serve a minimum of 44 participants for the grant period (from Pima County and/or Marana in Pinal County). At least 21 participants will be incumbent workers and at least 23 participants will be dislocated or unemployed.

Public Benefit:

Increases Pima County's economic development by helping to develop a trained and productive labor force that meets employers needs.

Metrics Available to Measure Performance:

Quarterly reports on participant incumbent worker training outcomes.

Retroactive:

Yes, delay in receiving amendment from Arizona Commerce Authority due to contract revisions.

Original Information

Document Type: _____ Department Code: CS Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: 5/31/16 Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ _____ Revenue Amount: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: GTAM Department Code: CS Contract Number (i.e., 15-123): 16-033

Amendment No.: 2 AMS Version No.: 1

Effective Date: 7/1/15 New Termination Date: 6/30/16

Expense Revenue Increase Decrease Amount This Amendment: \$206,001.00

Funding Source(s): Economic Dev Admin, Employment & Training Admin, Dept of Energy, Small Business Admin, N'I Inst of Science & Tech/Mfg Extension Partnership passed through the AZ Commerce Authority

Cost to Pima County General Fund: N/A

Contact: Rise Hart

Department: Community Services Telephone: 724-5723

Department Director Signature/Date: *Charles Long* 10/23/15

Deputy County Administrator Signature/Date: *J. Smith* 10/27/15

County Administrator Signature/Date: *C. R. Buebelberg* 10/27/15
(Required for Board Agenda/Addendum Items)



AGREEMENT

**Contract Number: 2014-27
Second Amendment**

**Arizona Commerce Authority
333 North Central Avenue
Suite 1900
Phoenix, Arizona 85004
(602) 845-1200**

This Second Amendment ("Second Amendment") to that certain Contract ("Contract") dated February 4, 2014, as amended by the First Amendment thereto ("First Amendment") dated August 22, 2014, made by and between the Arizona Commerce Authority (together with its successors and assigns, the "Authority" or "ACA") and Pima County (together with its successors and assigns, the "County") (the ACA and the County are collectively referred to as the "Parties"), is made by and between the Parties and will become effective as of the date signed by ACA (the "Effective Date").

RECITALS:

- A. The ACA's mission is to grow and diversify Arizona's economy and create quality jobs for its citizens by supporting and attracting businesses in targeted, high-growth clusters, with an emphasis on base industries throughout Arizona.
- B. In October of 2012, the ACA was awarded one of ten national awards through the Advanced Manufacturing Jobs Innovation Accelerator Challenge (AMJIAC). The AMJIAC grant is a collaborative grant competition conducted by five federal agencies: Economic Development Administration (EDA), Employment and Training Administration (ETA), Department of Energy (DOE), Small Business Administration (SBA), and National Institute of Science and Technology (NIST)/Manufacturing Extension Partnership (MEP).
- C. Pursuant to the ACA's grant proposal ("the ACA Proposal"), the ACA is taking a regional approach to strengthening the Aerospace and Defense (A&D) Industries in Arizona by concentrating on three (3) counties: Maricopa, Pinal and Pima Counties. To accomplish the goals set forth in the grant, the ACA will engage partners to maximize the ACA's resources to significantly impact the A&D Industries.
- D. The Federal Workforce Investment Act (WIA) Program mandated the creation of a centralized, "one-stop" workforce system in each state. The Pima County Workforce One Stop is the state designated local workforce area in Pima County and collaborates with other local One Stops in southern Arizona.
- E. The Parties entered into the Contract to strengthen the A&D Sector Partnerships, increase the supply of skilled A&D workers, and create On-the-Job Training (OJT), apprenticeship, and internship models for the A&D Sector.
- F. By and upon the terms and conditions of the First Amendment dated August 22, 2014, the Parties: (i) extended the term of the Contract, (ii) amended the scope of work, and (iii) amended the cost structure of the Contract.
- G. By and upon the terms and conditions of this Second Amendment, the Parties wish to: (i) extend the term of the Contract, (ii) amend the scope of work, and (iii) amend the cost structure of the Contract.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, representations and warranties herein contained, and for other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:



AGREEMENT

Contract Number: 2014-27
Second Amendment

Arizona Commerce Authority
333 North Central Avenue
Suite 1900
Phoenix, Arizona 85004
(602) 845-1200

AGREEMENT

1. **Term.** The Parties hereby agree to extend the term of the Contract from June 30, 2015 to June 30, 2016.
2. **Scope of Work.** The Scope of Work attached hereto as Exhibit A replaces and supersedes the Scope of Work attached as Exhibit A to the Contract, as amended, in its entirety.
3. **Compensation.** The Price Sheet attached hereto as Exhibit B replaces and supersedes the Price Sheet attached as Exhibit B to the Contract, as amended, in its entirety.
4. Except as otherwise provided in this Second Amendment to the contrary, the terms and provisions of the Contract, as amended shall remain in full force and effect. In the event of any conflict between the terms and provisions of this Second Amendment and the Contract, as amended, the terms and provisions of this Second Amendment shall govern.

PIMA COUNTY :

ARIZONA COMMERCE AUTHORITY:

Chair, Board of supervisors Date

Sandra Watson, President & CEO Date

ATTEST:

Clerk, Board of Supervisors Date

APPROVED AS TO CONTENT:

 10/23/15

Charles Casey, Director Date
Community Services, Employment & Training

APPROVED AS TO FORM:



TOBIN ROSEN
FOR Karen S. Friar, Deputy County Attorney

EXHIBIT A : SCOPE OF WORK

1. Background: Arizona Commerce Authority/AMJIA Grant

The ACA received a \$1.8 million multi-agency federal grant (the "Grant") through the Advanced Manufacturing Jobs and Innovation Accelerator (AMJIA). The Grant will help catalyze and leverage private capital needed to advance Southern Arizona's well-established A&D cluster to fuel job creation through public-private partnerships. The Grant activity is taking place in Pima, Pinal and Maricopa Counties. Pima County will provide training to and be engaged in the case management activity for participants enrolled in training as part of the Contractor's growing Advanced Manufacturing Sector Strategies. Below are the metrics that are to be met as a condition of the Grant.

The overall goal of the Employment and Training Administration (ETA) portion of the Grant is to target resources to help prepare workers for occupations eligible to be filled by H-1B Visa workers, thus reducing the need for foreign workers and increasing the utilization of Arizona workers.

2. Nature of Services

ACA and County shall work collaboratively to advance the ETA goals of the AMJIA Grant.

2.1. ACA will:

- 2.1.1. Provide general direction and oversight of AMJIA Grant activities.
- 2.1.2. Be responsible for compliance with the terms and conditions of the AMJIA Grant not specifically assigned to County under this Contract.
- 2.1.3. Reimburse County for the costs associated with training eligible workers.

2.2. County will:

- 2.2.1. Assign a project manager to oversee implementation of program, manage partner activities and ensure completion of County responsibilities under this Contract.
- 2.2.2. Provide, or secure, training for eligible program participants pursuing career pathways requiring higher skill levels in the A&D Industry (See criteria for eligible participants below).
- 2.2.3. Develop sector strategies to help strengthen sustainable relationships among A&D Industry Stakeholders and identified defense subcontractors.
- 2.2.4. Complete all training and certification activities and fully expend the training funds no later than June 30, 2016.

3. Program Participant Eligibility

Eligible program participants must meet these criteria:

- 3.1. Participant is seeking and qualified to enter training for skills and competencies in-demand for H-1B targeted occupations in the A&D sector.

EXHIBIT A : SCOPE OF WORK

- 3.2. Participant is beyond the beginning of the defined career pathway for the chosen occupation. Training under this funding opportunity may not be used for entry-level occupations, but should focus on occupations along the career pathways that require higher skill levels.
- 3.3. Participant has at least a high school diploma or GED, **and** some post-secondary education and/or work experience that would allow the participant to enter the defined career pathway at a point beyond the beginning. The participant may already have an Associate's or Bachelor's degree, but this is not required.
- 3.4. Participant may be an incumbent or unemployed worker and/or a post-secondary student pursuing a high skilled occupation.
- 3.5. An applicant does not have to be a veteran to be eligible for AMJIA services. However, eligible veterans must receive a veteran's priority as follows: *"When choosing between two equally qualified candidates for training, one of whom is a veteran, the veteran must receive priority of service by admitting him or her into the program."*

4. Performance Measurement Reporting

Reporting through the HUB system is a requirement of participation in AMJIA and defines what data sub-grantees must collect and report for each participant and what activities must be reported on each quarter.

Based on the grant budget estimate of \$4,711 per participant, Pima County is contracted to serve a minimum of 44 participants for the grant period (from Pima County and/or Marana in Pinal County). At least 21 participants will be incumbent workers and at least 23 participants will be dislocated or unemployed.

The following performance measure data is required by the Department of Labor (DOL):

- Total Participants Served (with demographic and employment status data in the policies and procedures)
- Total Participants Began Receiving Education/Job Training Activities
- Total Participants Completed Education/Job Training Activities
- # Participants Who Completed Program Activities
- # and Type of Credentials Attained and Date Credential Attained
- # of Dislocated/Unemployed Completers who Entered Unsubsidized Employment After Completing Training
- # of Dislocated/Unemployed Completers Who Entered Unsubsidized Training Related Employment
- # of Incumbent Worker Completers who retain their Employment After Completing Training
- # of Incumbent Workers who Advance In their Employment after Completing Training
- # Who Retain Unsubsidized Employment in the 1, 2nd and 3rd Quarters after Completing Training
- Wage at Placement

EXHIBIT A : SCOPE OF WORK

- The ETA portion of the AMJIA grant does not require a match, but does require reporting of cash or in-kind leverage.

5. AMJIA Grant Objectives and Activities

5.1. **Objective 1: To strengthen the Aerospace and Defense Industry Sector Partnerships in Pima County and across the region**

5.1.1. County will:

- 5.1.1.1. Work with ACA and local Sector Strategy partners to strengthen sustainable relationships among A&D Industry Stakeholders and identified defense subcontractors.
- 5.1.1.2. Collaborate with Pima Community College and with A&D company partners to review existing curriculum and align the curriculum with industry-specified performance outcome needs.

5.1.2. ACA will consult and collaborate with County to:

- 5.1.2.1. Carry out Sector Strategy/industry partner outreach in Pima County.
- 5.1.2.2. Identify current gaps in training and education leading to decreased worker advancement opportunities in the A&D industries.
- 5.1.2.3. Identify curriculum and needs to provide training and education to meet A&D industry needs and ensure a pathway to occupations that are eligible for H1-B visas.
- 5.1.2.4. Align curriculum with appropriate community college degree and/or industry certification program.

5.1.3. ACA, County and Sector Strategy Partners will meet quarterly, at a time mutually agreeable to ACA and County, to monitor progress towards implementing curriculum changes.

5.2. **Objective 2: To increase the supply of skilled A&D workers**

5.2.1. County will:

- 5.2.1.1. Work with A&D companies to identify incumbent workers and/or unemployed/dislocated participants who would meet the eligibility criteria, benefit from the above-described curriculum and advance the objectives of the grant.
- 5.2.1.2. Develop a training plan for each worker based on the company's staffing needs patterns, attainment of industry-recognized credentials and advancement of each worker into higher-skilled, technical positions.
- 5.2.1.3. Place eligible incumbent worker participants into the appropriate training environment.
- 5.2.1.4. Document cash and in-kind leverage from all grant activities, half of which will be

EXHIBIT A : SCOPE OF WORK

in the form of cash (direct tuition or employee training wages) from each company.

5.2.1.5. Track progress of each worker pursuant to the training plan.

5.2.1.6. Report participant incumbent worker training outcomes quarterly, as directed by ACA, in a format provided by ACA.

5.3. Objective 3: To create OJT and apprenticeship/internship models for A&D Sector

5.3.1. ACA and County will work together to identify the need and opportunities for work-based learning, including apprenticeship programs and OJT opportunities in areas that further workers' opportunities and transfer to other industries.

5.3.2. County will:

5.3.2.1. Identify and recruit eligible job seekers to participate in the internships, OJTs and/or apprenticeship programs.

5.3.2.2. Distribute the ETA training funds provided under this Second Amendment, subject to availability, to eligible individuals to accomplish this in accordance with WIA and other applicable regulations.

EXHIBIT B : PRICE SHEET

I. CONTRACT TYPE

This is a Cost Reimbursement Contract. The ACA will reimburse the County for the costs of training participants under Exhibit A-Scope of Work and Exhibit C-Special Terms and Conditions of this Agreement.

II. PRICING INFORMATION

1	Training for Pima County and Marana Aerospace located in Pinal County	Not to exceed \$206,001
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Reimbursement to County shall not exceed \$206,001.00 for the term of this Second Amendment.

Invoices

County will submit invoices and reports to the ACA as required by the terms of the grant and in compliance with requirements provided by the ACA.