



First Amendment

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

This First Amendment ("First Amendment") to that certain Contract ("Contract") 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") with the effective date of February 04, 2014, 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. Per 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 (OJT), apprenticeship, and internship models for the A&D Sector.
- F. Under the Contract, Pima County is providing services only in Pima County. Marana Aerospace is located in Pinal County, near the Pima County border, and employs many Pima County residents. The Parties agree that Pima County should provide training to and be engaged in the case management activity for Marana Aerospace.
- G. Accordingly, by this First 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.



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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

1. **Term.** The Parties hereby agree to extend the term of the Contract from July 1, 2014 to June 30, 2015.
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 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 in its entirety.
4. **General.**
 - a. Except as otherwise provided in this First Amendment to the contrary, the terms and provisions of the Contract shall remain in full force and effect.
 - b. In the event of any conflict between the terms and provisions of this First Amendment and the Contract, the terms and provisions of this First Amendment shall govern.
 - c. By County's signature below, County certifies to the following:
 - i. The offer to perform the Scope of Work services did not involve collusion or other anti-competitive practices.
 - ii. The County has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
 - e. This First Amendment is binding upon and shall inure to the benefit of the successors, assigns, heirs and personal representatives of the ACA and Pima County.

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 Marana Aerospace, located in Pinal County. 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.

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.
- 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

EXHIBIT A : SCOPE OF WORK

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 63 participants for the grant period (50 from Pima County and 13 from Marana in Pinal County). An estimated 42 participants will be incumbent workers and 21 participants are estimated to 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
- The ETA portion of the AMJIA grant does not require a match, but does require reporting of cash or in-kind leverage.

EXHIBIT A : SCOPE OF WORK

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 who would benefit from the above-described curriculum.
- 5.2.1.2. Develop a training plan for each worker based on the company's staffing patterns, attainment of industry-recognized credentials and advancement of each worker into higher-skilled, technical positions.
- 5.2.1.3. Place incumbent workers into the appropriate training environment.
- 5.2.1.4. Document cash and in-kind leverage, half of which will be 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 incumbent worker training outcomes quarterly, as directed by ACA, in a format provided by ACA.

EXHIBIT A : SCOPE OF WORK

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 First 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. ACA will pay County in arrears for the costs of training incumbent workers pursuant to Exhibit A: Scope of Work and any reimbursable expenses (See Exhibit C: Special Terms and Conditions).

II. PRICING INFORMATION

1	Training for Pima County and Marana Aerospace located in Pinal County	Not to exceed \$296,793
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Reimbursement to County shall not exceed **\$296,793**.

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.