



# City of San Antonio

## Agenda Memorandum

**File Number:**14-878

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**Agenda Item Number:** 14.

**Agenda Date:** 5/1/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Amendment of WSA Partnership Agreement and WSA Board Appointment

### **SUMMARY:**

An Ordinance approving: (1) the Third Amendment to the WSA Partnership Agreement that resolves a perceived conflict of interest in the Partnership Agreement concerning procurements issued by WSA for which a Principal intends to bid; and (2) an appointment to the WSA Board of Directors for submission to the Texas Workforce Commission ("TWC") for certification. Both the Third Amendment to the WSA Partnership Agreement and the subject appointment were recommended for approval by the Committee of Six.

### **BACKGROUND INFORMATION:**

The Texas Workforce Commission (TWC) is the state agency which oversees and provides workforce development funding for services to employers and job seekers in Texas. The TWC, by statute, provides funding and services through 28 regional workforce boards, including the locally-developed Alamo Workforce Development, Inc., now known as Workforce Solutions Alamo (WSA). The WSA serves Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson counties (the "WSA Service Area").

The WSA Board is an appointed group of 25 individuals who represent business, education, economic development, community organizations and government. Board members are appointed to three-year terms and may serve two consecutive terms. The primary role of the WSA Board is to align, focus and set direction for all workforce activities in the WSA Service Area (the "Local Plan") and execute/manage an annual workforce

budget of approximately \$70 million in federal and state workforce funding.

As required by statute, the City, Bexar County and the 11 other counties within the WSA Service Area (collectively, the “Principals”) have entered into an Interlocal Agreement through the Chief Elected Officials (“CEOs”) of the WSA Service Area to oversee the planning, budgeting, administration and execution of WSA programs. The CEOs include the 12 county judges and the Mayor of San Antonio. The CEOs have established a “Committee of Six” to carry out a portion of their duties and responsibilities, which include recommending to the Principals the appointment of members to the WSA Board and approval of the WSA Board Operating Budget and Planning Estimates. Presently, Mayor Julián Castro, Councilman Joe Krier (Alternate for Mayor Castro), Council District 9, and Councilman Ray Lopez, Council District 6, represent the City on the Committee of Six, with Councilwoman Rebecca Viagran, Council District 3, serving as an alternate member.

### **Approval of the Third Amendment to the Partnership Agreement**

On January 15, the Committee of Six reviewed and voted to approve the Third Amendment to the Partnership Agreement (the “Amendment”) which resolves the perception of a conflict of interest raised by TWC related to when a Principal (City, County or area judges) intends to bid on a procurement opportunity through the WSA. Although the City maintains that no conflict is present, City staff worked with the parties involved (the Principals, WSA and TWC) to resolve any possible perception of a conflict. All parties now agree that this Amendment resolves these concerns.

This amendment resolves the perceived conflict by making several revisions to the existing partnership agreement. In instances where WSA seeks to procure services in a contract amount in excess of \$500,000, no employee, officer or agent (i.e. - an affiliate or other related entity) of a Principal may have advance review of the RFP, if the Principal will submit a bid. This is consistent with the City’s past practice to recuse itself from the review of any procurements for which it intends to submit a bid. In addition, Principals who do not submit bids must treat that information as confidential and may not share it with any potential bidder.

Additional revisions contained within the Amendment include the annual collaborative review and approval of the Local Plan; the requirement that WSA provide an annual audit to the Principals; that WSA regularly update the Principals on the performance of Major Service Providers; and that the WSA Board approve all contracts in excess of a limit which will be established by the Board. TWC has agreed that these amendments resolve its concerns regarding a perceived conflict of interest.

### **Workforce Solutions Alamo Board of Directors Appointment**

On March 28, 2014, the Committee of Six conducted interviews and recommended Terrall J. (T.J.) Haygood to serve on the Workforce Solutions (WSA) Alamo Board of Directors, Place 3, Business, for an unexpired term beginning May 13, 2014 and ending December 31, 2014 for consideration and approval by City Council and the other Principals. Attached is the resume and application for Ms. Haygood seeking appointment to the WSA Board.

### **ISSUE:**

The WSA Partnership Agreement requires consideration and consensus of San Antonio City Council, Bexar County Commissioners Court, and the other 11 Area County Judges for the Third Amendment to the Partnership Agreement, as well as for appointments to the WSA Board. Action is now required by each of the Principals, including City Council. On March 28, 2014, the Committee of Six approved the recommended WSA Board appointment and agreed that the Principals should approve the Third Amendment. The

recommended WSA Board appointment requires approval by the Principals for submission to the TWC for placement on the May 13, 2014 TWC agenda for certification.

#### **ALTERNATIVES:**

If the Third Amendment to the Partnership Agreement is not approved, the “perceived conflict of interest” will not be resolved, necessitating additional incurred legal expenses and protracted negotiations.

City Council could reject one or more of the recommended appointments to the WSA Board. The Committee of Six would then need to seek and interview new board candidates for recommendation and consideration by all of the Principals. Failure to approve and recommend the appointment of WSA Board members to the Texas Workforce Commission within statutory time limits would cause the WSA to enter a period of “noncompliance” and preclude the WSA Board from meeting to take action or expend allocated funds from the TWC until the Board was back in compliance.

#### **FISCAL IMPACT:**

No direct fiscal impact to the City’s Budget.

#### **RECOMMENDATION:**

Staff recommends approval of the Workforce Solutions Alamo (WSA) Third Amended Partnership Agreement and approval of an appointment to the WSA Board of Directors as recommended by the Committee of Six for submission to the Texas Workforce Commission.