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## OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM

TO: All Council Members  
FROM: Lauren M. Smelkinson, County Auditor *LMS*  
DATE: July 1, 2014  
SUBJECT: Addendum to Council Meeting Notes

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Please find attached an addendum (FM-12) to the Council Meeting Notes issued June 26, 2014.

This item will be discussed at the July 1, 2014 work session for the July 7, 2014 Council meeting.

Attachment

cc: notes distribution list

FM-12 (2 Contracts)

Council District(s) All

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**Department of Economic and Workforce Development**

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**Randomized Controlled Trial Evaluation – Statistical Evidence –  
Accelerating Connections to Employment (ACE) Initiative**

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The Administration is requesting approval of two contracts related to the Accelerating Connections to Employment (ACE) program: one with ICF Incorporated, LLC to provide program evaluation services and one with Social Solutions Global, Inc. to provide a data management system. Effective July 1, 2014, the County will directly administer all sub-grants and contracts related to the ACE program, which were previously administered by the Maryland Workforce Corporation (MWC) on the County's behalf; these contracts assign responsibility from the MWC to the County. The contracts commence July 1, 2014, continue until July 31, 2014, and may not exceed \$25,000 unless approved by the Council.

If approved, the contract with ICF Incorporated, LLC will continue through June 30, 2015 (the second renewal period), and will automatically renew for FY 2016 and the period July 1, 2016 through October 31, 2016. Compensation may not exceed \$430,719 less any costs previously reimbursed by the MWC for FY 2014; \$424,910 for FY 2015; \$278,393 for FY 2016; and \$272,134 for the period July 1, 2016 through October 31, 2016. Estimated compensation totals \$18,978 for unreimbursed FY 2014 expenditures and \$975,437 for the remaining 2-year and 4-month term; compensation may not exceed \$1,799,983 for the entire 3-year and 11-month term, including the renewal periods, inclusive of funds paid by the MWC.

If approved, the contract with Social Solutions Global, Inc. will continue through June 30, 2015 (the first renewal period), and will automatically renew for the period July 1, 2015 through May 31, 2016. Compensation may not exceed \$7,420 during the remainder of the initial term ending June 30, 2014; \$61,500 for FY 2015; and \$56,375 for the period July 1, 2015 through May 31, 2016. Estimated compensation totals \$7,420 for unreimbursed FY 2014 expenditures and \$117,875 for the remaining 1-year and 11-month term; compensation may not exceed \$228,510 for the entire 3-year term, including the renewal periods, inclusive of funds paid by the MWC. See Exhibits A and B.

**Fiscal Summary**

Funding Source	FY 2015 Maximum Compensation		FY 2016-FY 2017 Maximum Compensation <sup>(2)</sup>		Total Pending Compensation		Total Maximum Compensation <sup>(3)</sup>	
	ICF Incorporated, LLC	Social Solutions Global, Inc.	ICF Incorporated, LLC	Social Solutions Global, Inc.	ICF Incorporated, LLC	Social Solutions Global, Inc.	ICF Incorporated, LLC	Social Solutions Global, Inc.
	County	--	--	--	--	--	--	--
State	--	--	--	--	--	--	--	--
Federal <sup>(1)</sup>	\$ 424,910	\$ 61,500	\$ 550,527	\$ 56,375	\$ 975,437	\$ 117,875	\$ 1,799,983	\$ 228,510
Other	--	--	--	--	--	--	--	--
<b>Total</b>	<b>\$ 424,910</b>	<b>\$ 61,500</b>	<b>\$ 550,527</b>	<b>\$ 56,375</b>	<b>\$ 975,437</b>	<b>\$ 117,875</b>	<b>\$ 1,799,983</b>	<b>\$ 228,510</b>

<sup>(1)</sup> U.S. Department of Labor, Employment and Training Administration funds.

<sup>(2)</sup> Combined maximum compensation for the FY 2016-FY 2017 period (Social Solutions Global, Inc. contract term ends on May 31, 2016, and ICF Incorporated, LLC contract term ends on October 31, 2016).

<sup>(3)</sup> Combined total maximum compensation, inclusive of funds paid by the MWC and pre-FY 2015 reimbursements to be paid by the County.

**Analysis**

In July 2012, the County's Department of Economic and Workforce Development was awarded an \$11.8 million Workforce Innovation Fund grant from the U.S. Department of Labor (DOL) for Baltimore County and eight other workforce investment areas: five others in Maryland – Prince George's, Montgomery, and Anne Arundel Counties, Baltimore City, and the Upper Shore Consortium (Caroline, Dorchester, Kent, Queen Anne's and Talbot Counties) – and one each in Austin, Texas; Atlanta, Georgia; and New Haven, Connecticut. In addition, the community colleges in all nine areas are partners in the grant. Baltimore County serves as the lead jurisdiction and administers the grant. The grant funds are utilized for the Accelerating Connections to Employment (ACE) program, which provides training and job placement support to low-skilled job seekers, including individuals with limited proficiency and individuals with low reading, writing, and math skills, and accelerates the academic and skills training of individuals for entry-level positions in high-demand sectors such as health care. The grant from DOL requires that the program utilize a randomized controlled trial evaluation process to provide statistical evidence of whether the ACE program training model produces better job placement and wages for participants than those for a control group not receiving the ACE training and support.

On November 19, 2012, the Council approved a 5-year and 7-month contract not to exceed \$593,486 with the Maryland Workforce Corporation (MWC), a state corporate agency and a

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partner in the County's ACE grant submission to the DOL, to provide procurement and contracting services for the ACE program, including preparing contracts, monitoring the fiscal operations of the entities involved in the ACE program, and procuring the independent evaluator. The contract was awarded on a sole source basis since the MWC was named in the County's grant submission to the DOL and the DOL accepted the grant as submitted. As part of this contract, the Department was to reimburse the MWC an amount not to exceed \$9,983,164 in grant funds for payments made to third parties for program operations (e.g., eight workforce investment areas, partnering community colleges, data management system vendor – Social Solutions Global, Inc.) and to the third party independent evaluator (ICF Incorporated, LLC). The Department advised that in conjunction with the Law Office, it determined that it is in the County's best interest to terminate the contract with the MWC for convenience as of June 30, 2014 and to directly administer all sub-grants and contracts related to the ACE program. Accordingly, the contracts with ICF Incorporated, LLC and Social Solutions Global, Inc. are being assigned to the County to administer effective July 1, 2014. The Department advised that as of June 19, 2014, expenditures under the MWC contract totaled \$447,723 with an additional \$54,979 incurred (but not paid) under the contract.

The Department advised that the MWC conducted competitive procurements for DOL-required program evaluation and data management system contracts and that the bid proposals were reviewed by representatives from the ACE partners, including Baltimore County. Specifically, the MWC entered into a 3-year and 11-month contract with ICF Incorporated, LLC (which was selected based on qualifications and cost from 4 bids received) not to exceed \$1,799,983 for program evaluation services, including the random assignment process for eligible program participants and the preparation of an evaluation plan. The contract commenced December 1, 2012, continued through June 30, 2013, and was renewed for one additional year through June 30, 2014. Under the original contract, compensation may not exceed \$393,827 for the initial term; \$430,719 for the first renewal period; \$424,910 during the second renewal period; \$278,393 during the third renewal period; and \$272,134 during the fourth renewal period, with total compensation not to exceed \$1,799,983. The Department advised that as of June 5, 2014, compensation paid by the MWC to ICF Incorporated, LLC totaled \$805,568.

The contract between the County and ICF Incorporated, LLC commences July 1, 2014, continues until July 31, 2014, and may not exceed \$25,000 unless approved by the Council. If approved, the contract will continue through June 30, 2015 (the second renewal period), and will automatically renew for FY 2016 and the period July 1, 2016 through October 31, 2016, unless

the County provides notice of non-renewal. Compensation may not exceed \$430,719 less any costs previously reimbursed by the MWC for FY 2014; \$424,910 for FY 2015; \$278,393 for FY 2016; and \$272,134 for the period July 1, 2016 through October 31, 2016. Estimated compensation totals \$18,978 for unreimbursed FY 2014 expenditures and \$975,437 for the remaining 2-year and 4-month term; compensation may not exceed \$1,799,983 for the entire 3-year and 11-month term, including the renewal periods, inclusive of funds paid by the MWC. The County may terminate the agreement by providing 30 days prior written notice.

The MWC also entered into a 3-year contract with Social Solutions Global, Inc. to provide a data management system for the ACE program. The Department advised that Social Solutions Global, Inc. was selected based on qualifications and cost from 8 bids received. The Department further advised that Social Solutions Global, Inc. has customized a data management system to support the participant files and documentation necessary for ICF Incorporated, LLC to conduct required follow-up activities with program participants, and the system also stores data regarding individuals interested in participating in the program. The contract between the MWC and Social Solutions Global, Inc. commenced June 1, 2013 and continued through June 30, 2014. Under the original contract, compensation may not exceed \$110,635 for the initial term; \$61,500 for FY 2015; and \$56,375 for the period July 1, 2015 through May 31, 2016, with total compensation not to exceed \$228,510. The Department advised that as of June 5, 2014, compensation paid by the MWC to Social Solutions Global, Inc. totaled \$101,967.

The contract between the County and Social Solutions Global, Inc. commenced July 1, 2014, continues until July 31, 2014, and may not exceed \$25,000 unless approved by the Council. If approved, the contract will continue through June 30, 2015 (the first renewal period), and will automatically renew for the period July 1, 2015 through May 31, 2016, unless the County provides notice of non-renewal. Compensation may not exceed \$7,420 for the initial term through June 30, 2014 (for costs incurred but not previously billed through the MWC); \$61,500 for the period July 1, 2014 through June 30, 2015; and \$56,375 for the period July 1, 2015 through May 31, 2016. Estimated compensation totals \$7,420 for unreimbursed FY 2014 expenditures and \$117,875 for the remaining 1-year and 11-month term; compensation may not exceed \$228,510 for the entire 3-year term, including the renewal periods, inclusive of funds paid by the MWC. The County may terminate the agreement by providing 30 days prior written notice.

The County awarded both contracts on a non-competitive basis due to the existing contracts in place with the MWC; the Department advised that continuing these contracts will ensure that program services are provided in an efficient manner. The Department is requesting that the contracts be designated as 902(f) proprietary contracts secured in the best interest of the County. County Charter, Section 902(f), states that when competitive "bidding is not appropriate, a contract shall be awarded only by competitive negotiations, unless such negotiations are not feasible. When neither competitive bidding nor competitive negotiations are feasible, contracts may be awarded by noncompetitive negotiations."

On September 4, 2012, the Council approved Bill 52-12, a supplemental appropriation of federal funds totaling \$2.7 million for the first year's operation of the ACE program. Subsequent funding totaling \$9.1 million was included in the Department's FY 2014 (\$4.5 million) and FY 2015 (\$4.6 million) budgets.

A 14-day notice dated June 18, 2014 and scheduled to be approved on July 2, 2014 authorizes approximately \$6.2 million in grants to the local workforce investment boards and community colleges to facilitate ACE program activities.

County Charter, Section 715, requires that "any contract must be approved by the County Council before it is executed if the contract is...for services for a term in excess of two years or involving the expenditure of more than \$25,000 per year...."

KEVIN KAMENETZ  
County Executive



WILL ANDERSON  
Director  
Department of Economic and  
Workforce Development

Executive Summary  
May 27, 2014  
ICF Incorporated Vendor Contract

**Accelerating Connections to Employment (ACE) Grant - Summary**

In March 2012, Baltimore County (through the Department of Economic Development) submitted a Workforce Innovation Fund ("WIF") grant proposal to the U.S. Department of Labor, Employment and Training Administration ("DOL"), Reference SGA/DFA PY-11-05, for the Accelerating Connections to Employment ("ACE") Initiative. Partners written into the grant proposal included a nine area consortia of local workforce boards and community colleges. These sites include Baltimore County, Montgomery, Prince Georges and Anne Arundel Counties, Baltimore City, and the Upper Shore Workforce Investment Board in Maryland, plus the cities of Atlanta, GA, New Haven, CT, and Austin, TX. The application also included Maryland Workforce Corporation (MWC), an instrumentality of the State of Maryland, to administer grants and procure contracts under the ACE grant.

On July 1, 2012, the County was notified that it would receive a grant in the amount of \$11,869,725 - one of the five largest grants awarded by DOL across the county. The multi-year grant period is July 1, 2012 through October 31, 2016. DOL required that the ACE project utilize a randomized controlled trial (RCT) evaluation process to provide statistical evidence of whether the innovative ACE job training model produced better job placement and wage results for participants than those for a control group not receiving the ACE training and support. The evaluation component of the grant is so important to DOL that it allotted the final year of the grant (November 2015 – October 2016) solely to completing the evaluation. The DOL grant award authorized procurement of two vendor contracts necessary to implementing this RCT (per DOL up to 20% of the total funding was to be allocated to evaluation), the evaluator and a cross site data management system to produce performance data for the evaluation.

The County is the grantee and as such is responsible for managing the four state, nine area consortia of local workforce boards and community colleges around the United States that had been incorporated into the grant application. Financial commitments were made to each location as a partner in the ACE grant consortium.

In accordance with the grant proposal, the County initially contracted with Maryland Workforce Corporation ("MWC") to administer grants and procure vendor contracts. MWC conducted the procurements for the federally required evaluation and data management system contracts with oversight and participation by staff within Baltimore County. As a result of the competitive procurement, ICF Incorporated (ICF) was selected as the grant's evaluation provider. A contract between MWC and ICF was put into place, including renewal options to ensure necessary services were available over the course of the entire ACE project as needed.

In early 2014, the Department of Economic and Workforce Development ("DEWD"), in consultation with the County's Law Office, determined that it is in Baltimore County's best interest to terminate (for convenience) the agreement with MWC and for DEWD to directly administer all grants and contracts related to ACE. That agreement has been executed, with the MWC contract ending June 30, 2014.

As part of that agreement, MWC assigned its contract with ICF to Baltimore County. DEWD is requesting Baltimore County Council (the Council) authorization a direct contract with ICF and execution of a renewal option so that these required activities continue without a break in service. This contract is coming forward as a non-competitive procurement under the 902(f) section of the Baltimore County Charter due to the existing (previously competed) contract in place through MWC. This amended and restated contract, written by the County's Law Department, will ensure the County is able to continue these critical services in an efficient and timely manner.

Prepared by: Department of Economic and  
Workforce Development

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KEVIN KAMENETZ  
County Executive

WILL ANDERSON  
Director  
Department of Economic and  
Workforce Development

### **ICF Incorporated (ICF)**

ICF is an international firm that is actively involved with the evaluation of federal grant projects across a wide range of agencies including the U.S. Department of Labor. They are responsible for ensuring that the DOL required evaluation of all nine ACE sites is completed in accordance with all federal requirements. Their evaluation plan has been reviewed and accepted by both the U.S. DOL and the national evaluation consultant ABT Associates.

ICF assigned a project director, principal investigator, and project team to lead and conduct ACE evaluation activities across all nine sites. The project team conducts all evaluation activities, including completion of the DOL required random assignment process for eligible participants. They have been strong partners in all ACE activities, working closely with the Project Manager, and they have completed all activities related to the prior period's scope of work.

The results of their work will be a final evaluation of the entire ACE consortium, reporting on the impact that ACE services have in securing training and employment for low skilled workers in positions that pay between \$9.00 and \$15.00 per hour.

### Fiscal Impact

Total Not to Exceed Contract (December 1, 2012 – October 31, 2016): \$1,799,983

First Renewal Option (July 1, 2013 – June 30, 2014): \$430,719 (previously exercised)

Second Renewal Option (July 1, 2014 – June 30, 2015): \$424,910

Third Renewal Option: (July 1, 2015 – June 30, 2016): \$278,393

Fourth Renewal Option: (July 1, 2016 – October 31, 2016): \$272,134

### **ACE Goals and Impacts**

ACE expands and improves access to education, training, and employment opportunities for low-skilled individuals. The vision for ACE is to connect workforce development, education, and employers so low-skilled adults can access high demand occupations and career pathways, and demonstrate the impact of this model across the consortium utilizing a rigorous evaluation conducted by the ACE independent evaluator - ICF International.

The goals for ACE, as agreed to with DOL, are as follows:

- **1281 enrolled**, low-skilled individuals receive training and employment supports
- **75%** of participants will **complete** training – 960
- **75%** of completers will secure **employment** paying **\$9 - \$15** per hour – 720
- **80%** of those employed will **retain employment** for six months – 576
- **70%** of those employed at six months will **retain employment** for twelve months – 403

The ACE initiative is managed by a dedicated Project Manager and Office Coordinator in DEWD within Workforce Development services. The ACE sites are held to high standards of reporting and responsibility, including participation in on-site administrative and financial audits by the Department of Labor. Those audits will include key leadership from the ACE evaluation provider at ICF.

ACE is an outstanding opportunity for Baltimore County to demonstrate leadership in the field of workforce development – in Maryland and across the country. The Workforce Innovation Fund grants, particularly at the level of funding Baltimore County receives for the ACE grant, are receiving national attention. As part of the rigorous evaluation study conducted by ICF, the impacts of ACE will stand as “proven”. Our participant outcomes, as documented in ETO, will help inform workforce policy, including much needed changes in how low-skilled individuals receive training and become employed citizens of our community.



KEVIN KAMENETZ  
*County Executive*

WILL ANDERSON  
*Director*  
*Department of Economic*  
*Development*

**Executive Summary**  
May 27, 2014

**Social Solutions Vendor Contract**

**Accelerating Connections to Employment (ACE) Grant - Summary**

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On July 1, 2012, the County was notified that it would receive a grant in the amount of \$11,869,725 - one of the five largest grants awarded by DOL across the county. The multi-year grant period is July 1, 2012 through October 31, 2016. DOL required that the ACE project utilize a randomized controlled trial (RCT) evaluation process to provide statistical evidence of whether the innovative ACE job training model produced better job placement and wage results for participants than those for a control group not receiving the ACE training and support. A cross site data management system is a critical component of the evaluation, as individual participants records housed there will be used to produce performance data for the evaluation.

The County is the grantee and as such is responsible for managing the four state, nine area consortia of local workforce boards and community colleges around the United States that had been incorporated into the grant application. Financial commitments were made to each location as a partner in the ACE grant consortium.

In accordance with the grant proposal, the County initially contracted with Maryland Workforce Corporation ("MWC") to administer grants and procure vendor contracts. MWC conducted the procurement for the grant required data management system with oversight and participation by staff within Baltimore County. As a result of that competitive procurement, Social Solutions was selected as the data management system provider. A contract between MWC and Social Solutions was put into place, including renewal options to ensure necessary services were available over the course of the entire ACE project as needed.

In early 2014, the Department of Economic and Workforce Development ("DEWD"), in consultation with the County's Law Office, determined that it is in Baltimore County's best interest to terminate (for convenience) the agreement with MWC and for DEWD to directly administer all grants and contracts related to ACE. That agreement has been executed, with the MWC contract ending June 30, 2014.

As part of that agreement, MWC assigned the Social Solutions contract to Baltimore County. DEWD is requesting Baltimore County Council (the Council) authorization to establish a direct contract with Social Solutions and to execute renewal options so that these required activities continue without a break in service. This contract is coming forward as a non-competitive procurement under the 902(f) section of the Baltimore County Charter due to the existing (previously competed) contract in place through MWC. This amended and restated contract, written by the County's Law Department, will ensure the County is able to continue these critical services in an efficient and timely manner.

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### Social Solutions

The management of data across all nine ACE sites, including six sites within the state of Maryland, is an activity critical to the initiative's success. Solution Solutions has demonstrated the ability to provide a secure, flexible, responsive, and customizable web-based data solution to the ACE consortium. And, while not a factor during the procurement or evaluation process, they are a Baltimore County based business.

Social Solutions product, Efforts to Outcomes (ETO), has been fully customized for ACE to support both the participant files and the documentation necessary for the evaluator, ICF, to conduct required follow up activities with all ACE participants. A team of direct line staff, performance managers, and ICF team members participated in the system development. The data system is now fully customized for ACE, allowing sites to input all data for interested individuals and ACE participants. More than 2400 individuals have information already housed in ETO. ETO not only allows sites to manage participant data, it allows ACE management to conduct oversight and file reviews from any computer. Most importantly, this system provides evaluators the data they need to conduct the DOL required evaluation.

### Fiscal Impact

Total Not to Exceed Contract (June 1, 2013 – May 31, 2016): \$228,510

First Renewal Option (July 1, 2014 – June 30, 2015): \$61,500

Second Renewal Option (July 1, 2015 – May 31, 2016): \$56,375

### ACE Goals and Impacts

ACE expands and improves access to education, training, and employment opportunities for low-skilled individuals. The vision for ACE is to connect workforce development, education, and employers so low-skilled adults can access high demand occupations and career pathways, and demonstrate the impact of this model across the consortium utilizing a rigorous evaluation.

The goals for ACE, as agreed to with DOL, are as follows:

- 1281 enrolled, low-skilled individuals receive training and employment supports
- 75% of participants will complete training – 960
- 75% of completers will secure employment paying \$9 - \$15 per hour – 720
- 80% of those employed will retain employment for six months – 576
- 70% of those employed at six months will retain employment for twelve months – 403

The ACE initiative is managed by a dedicated Project Manager and Office Coordinator in DEWD within Workforce Development services. The ACE sites are held to high standards of reporting and responsibility, including participation in on-site administrative and financial audits by the Department of Labor. Those audits will include reviews of participant's files utilizing this data management system.

ACE is an outstanding opportunity for Baltimore County to demonstrate leadership in the field of workforce development – in Maryland and across the country. The Workforce Innovation Fund grants, particularly at the level of funding Baltimore County receives for the ACE grant, are receiving national attention. As part of the rigorous evaluation study, the impacts of ACE will stand as "proven". Our participant outcomes, as documented in ETO, will help inform workforce policy, including much needed changes in how low-skilled individuals receive training and become employed citizens of our community.