

Employ Florida Banner Centers RFP Responses to Questions Received from Interested Respondents

The Employ Florida Banner Centers RFP was posted on March 9th and prospective respondents were requested to submit all questions regarding the RFP by March 23rd. Responses to all questions submitted follow below and have been distributed simultaneously via email to all known recipients and posted on the WFI web site. These responses provide the “official” WFI answers to all questions raised on or before the deadline of March 23rd.

Questions/Answers:

Q: The RFP requires financial commitments in 2009/10 from private/industry sources equaling \$75,000 in order to receive the maximum Year One funding of \$300,000 (or 25%). Isn't this an insurmountable task, given today's fiscal environment, particularly with only a four-week response period for the RFP?

A: Challenging perhaps, but not insurmountable. Nevertheless, WFI has agreed to extend the response period by two weeks, from April 10th to April 24th, to give potential respondents more time to address this issue. Page 9 of the RFP identifies some options for a potential respondent to consider: cash from industry partners, other stakeholders, and/or institutions can make their own investment in the project. Training offered to industry sector businesses can also make up a portion of this requirement. For example, if the cost of training is estimated at \$1,000 per trainee/employee, only 75 trainees would be needed in Year One. We believe potential Banner Centers can far exceed this metric. In fact, given the economic downturn, many individuals are turning to training to improve their skills or enter into a new sector with promise of job opportunities. We encourage potential respondents to seek advice from businesses within the sector of interest.

Q: The RFP also requires a potential respondent to raise private/industry funds in Years Two and Three in great amounts as follows:

- Year Two or 2010/11: 60% public funding; 40% private/industry funding
- Year Three or 2011/12: 40% public funding; 60% private/industry funding

The RFP requires a multi-year private funding requirement, but does not offer a multi-year commitment from WFI.

A: WFI commits to funding in Years Two and Three. Given the amount of funding afforded Florida's workforce system through regular planning allocations as well as the recent federal stimulus funding, we fully intend to meet our commitment. As always, there is the contingency (based on annual allocations) but we are more assured of its availability given the recent influx of funding and the critical mission of our Banner Centers to training and retraining—imperative in this economic downturn.

Q: The contract resulting from a successful respondent will guarantee only one year's funding, and all deliverables proposed in that submission must be deliverable within that single year.

A: That is correct. The first year contract will be one year in length with contingencies for extensions in Years Two and Three based on performances in Year One. All deliverables for the first year will be negotiated with the winning respondent for that year. It is anticipated that based on the performance,

industry needs, sustainability plan and private sector funding support that deliverables in Years Two and Three will change. Neither we nor the winning respondent can look ahead to fully anticipate what those deliverables will be in the out years given the rapid pace of change in the Florida economy.

Q: The RFP stipulates that total administrative costs cannot exceed 10% of the contract amount. Per the example in the RFP (page 11) for a \$300,000 contract, not more than \$30,000 can be requested for administrative costs, leaving \$270,000 plus the amount of private funding (\$75,000) devoted to “contract-related activities.” Is this realistic?

A: Yes. There exists a cap on administrative costs required by federal and state law provisions governing the use of our workforce funds. Chapter 445.004 (5) (a), Florida Statutes states that “at least 90% of the workforce development funding must go into direct customer service costs” (i.e., training, programs) hence the 10% cap. Section 667.210 of the Federal Workforce Investment Act of 2000 Final Rules similarly stipulates that of the statewide set-aside (commonly known as the 15% funds or Governor’s Discretionary Funds) the state may spend up to 5% for administrative costs of statewide workforce activities. Local area expenditures for administrative purposes under WIA formula grants are limited to no more than 10%. This is not a new requirement and is consistent with how we have entered into contracts with Employ Florida Banner Centers since 2006: that is, contract deliverables negotiated with the winning respondent will still be performance-based whereby WFI will pay for specified services or products.

Q: The RFP states unequivocally that “the curricula developed or modified under any ensuing contract shall be the property of WFI.”

“The Contractor shall be granted a license during the time the Contractor is designated by WFI as the Employ Florida Banner Center in the targeted sector. In the event the Contractor is no longer designated as the Banner Center, either through WFI’s decision, the Contractor’s decision, or based on industry guidance, WFI agrees to offer the Contractor license options for curricula access enabling the continued delivery of the course(s) involved.”

A: This language is consistent with federal law requirements regarding product developed with federal workforce funds. Previous Employ Florida Banner Centers have, in some cases, been paid under contract with WFI, to develop curricula specific to industry needs. The marketability of a license is very broad. The holder of a license differs from the owner of intellectual property in very few ways, the most significant being that the owner can sell more licenses. But both the license holder and the owner (in this case, WFI) have unlimited use of the curricula (unless the license is specifically limited otherwise). If any private funding goes toward curriculum development, WFI will work with the respondent to define ownership rights. Again, WFI’s focus is to deploy the industry-relevant training statewide, thus assisting businesses in other areas of the state.

Q: The RFP cites WFI as “Corporate Headquarters” and Banner Centers as “Vendors” serving as WFI “Product Development Centers.” Does this mean that WFI will now provide “oversight, management, and marketing of the Centers which may include “opportunities for revenue generation?”

A: Yes. This is consistent with our governance strategy going forward and the general request for enhanced marketing of the Banner Centers’ products and services. WFI, where appropriate, will assist with identifying opportunities for revenue generation.

Q: Can WFI act independently to seek and negotiate opportunities for revenue generation through “business development agreements” with third parties in the Banner Center sector, using the curriculum, courses and other products and services developed by the Banner Centers, without the requirement to inform the originating Banner Center until they are ready to finalize the agreement?

A: The language in the RFP on page 14 actually reads: “WFI, acting as Banner Center “corporate headquarters” agrees to communicate with the Contractor prior to finalizing any business development agreements to serve the targeted sector that contain expectations not previously contained within an existing contract. If the business development opportunity is aligned with the contractor’s then WFI agrees at the request of the contractor, to negotiate a specific payment schedule to support the business opportunity. Again, the focus is on funding sustainability and assisting all Banner Center’s with opportunities to create revenues towards sustainability, and to broaden the use of products/services from the Center.

Q: Can WFI impose new expectations on the Banner Centers not specifically identified in the signed contract? Page 14 states that “the ensuing contract will delineate many of the expectations WFI intends of the Banner Center contractor *to support the sustainability of the center.*”

A: No, WFI cannot impose more contract obligations than set forth in the Banner Center contract. WFI does have expectations as it relates to the support of the sustainability of the center, and industry workforce training needs. In effect, the Banner Center RFP, as constructed, implies that government funding will reduce over time, and sector funding will increase, leading to sustainability.

Q: Does WFI now intend to become directly involved in the “governance and oversight” of each Banner Centers’ Industry Advisory Council, and thus change the dynamics of the Banner Center/Industry Advisory Council relationship?

A: In response to our Banner Center principles, some concern had been expressed that WFI had not provided appropriate strategic guidance and governance in setting the tone and direction of the initiative. Additionally, at the Banner Center Retreat held last October, this issue was again raised, including lack of consistency or knowledge about how individual Center Industry Advisory Council’s relate to the broader statewide Banner Center initiative. To amend that gap, among other things, WFI intends to invite the Banner Center Industry Advisory Council chairs to enter into discussions with our WFI Board of Directors’ Business Competitive Council as appropriate, to ensure alignment and responsiveness going forward.

Q: Does WFI intend for the Industry Advisory Councils to provide guidance and direction, rather than advice, to their respective Banner Centers, and that industry will determine, based on their industry’s needs, what curriculum, products and/or services are needed to create the current and future workforce talent demands of their industry?”

A: Yes. This has been a key fundamental principle of the Banner Center initiative and is not new. We expect all Banner Centers to be completely responsive to the industry sector they represent. Several WFI Board members who have served on industry advisory councils indicated that they did not have direct and active involvement in product/service development. This language in the RFP supports their collective desire and original intent of the initiative that these Centers are indeed business-driven.

Q. How does WFI envision the funds from this project to be spent?

A. Respondents will tell WFI how they anticipate utilizing these funds for the project in the budget document they submit. However, the contracts resulting from this RFP will not be reimbursement contracts, meaning that WFI will not pay contractors for accrued expenses/costs related to the contract but will pay for the delivery of services.

Q. What kind of documentation is acceptable for leveraged funds?

A. WFI will be looking for the commitment to provide either cash or in-kind services in a letter from the organization providing the cash or in-kind services and signed by an officer from that organization.

Similarly, an industry association or organization may identify, based on their collective business membership that a certain number of individuals/employees expect to be trained under the Banner Center curriculum over a specified period of time. In-kind services must include a description of the service, the value (how much is the donation worth) and some brief explanation as to how that value was determined.

Q. How will the fixed payable amounts be established? Will the payments for the services mentioned be based on the costs to provide those services?

A. Payment amounts will be determined during the contract negotiation process. These are performance-based contracts – **not reimbursement contracts** – so payable amounts are not directly related to contractor program costs. Staff mentioned that generally when developing payable amounts, or unit prices, that include such services as enrollments, completions & placements, enrollments will normally be paid at a lesser rate than completions and completions paid at a lesser rate than placements – using a graduated payment scale like that gives greater value to completions compared to enrollments and still greater value to placements than either completions or enrollments.

Q. Please clarify what is meant by the expectation of designated Banner Centers to provide “technical assistance and consulting services to other training providers and/or businesses statewide, as well as to establish effective train-the-trainer programs to support statewide delivery expansion of the programs created due to its role as the recognized expert for the targeted industry sector?”

A. Almost all of the initiatives that WFI funds are considered “demonstration” projects meaning that there is an intent to determine the success of such projects and to share those successes with others in the form of a best practices mechanism. This concept does not mean that contractors are required to give away product that it has developed but they must have a mechanism for sharing best practices with other possible providers in the state. It is a part of the intent of the RFP, therefore, to promote the exportation of successful projects throughout the state by having contractors funded through this initiative to share methodologies, products and services with others.

Q: As a previous Employ Florida Banner Center, if we apply and are designated competitively under the new RFP, can we still issue a quarterly newsletter? The RFP contemplates that WFI is going to assume the responsibility of marketing for all Banner Centers. Does the newsletter fall under this category of WFI marketing activities?

A: This has not yet been determined.

Q: The RFP requires private/industry funding (see page 2) but the funding is not clearly defined. On page 9, the RFP gives a definition of leveraged funds which may be considered the same as private/industry funds. True or False?

A: True.

Q: Page 9 implies that state supported education funds for faculty members’ time may be considered as private/industry funds. Yes or No?

A: No. Faculty members’ time may be considered in-kind leveraged funds.

Q: Can an educational institution charge students for taking a Banner Center course and then use the collected student fees as private/industry funds?

A: Yes, these funds would be considered private or non-government funds and to the extent that they were earned through the use of a federally procured Banner Center curriculum, would constitute program income.

Q: The RFP, on page 11, states that “administrative costs cannot exceed 10% of the contract amount.” In past Banner Center contracts, those contracts have been performance-based, paying only for the production of assigned tasks. There has never been an allowance for “administrative costs.” Can the cost referred to on page 11 be labeled or understood as “indirect costs” instead?

A: No. All previous Banner Center contracts have had administrative costs capped at 10% as required by federal and state workforce laws. These costs will be outlined on the budget submission form.

Q: What is the definition of private/industry funding on page 2? Can this 25% requirement include both cash and leveraged funds, including equipment donations?

A: Private/industry funding is that funding which is derived from the industry sector under which the proposed Banner Center respondent plans to apply for designation. That funding may come from individuals taking Banner Center courses and paying the Banner Center for those courses, industry donations, or employees of companies within the industry receiving skills upgrade training from Banner Center courses. Equipment donations, private sector space utilized for training, and so forth are considered in-kind leveraged funds (see page 9).

Q: The construction industry in Florida does not support the establishment of new curricula as it has already established craft curricula and certifications nationally through the National Center for Construction and Education Research (NCCER). Management-level curricula is already well established through the University of Florida, Santa Fe College, and other well recognized postsecondary educational institutions. How does a curriculum deliverable apply to the Banner Center for Construction?

A: In this specific example, development of market-relevant curriculum is not needed, unless such a gap is identified by the Industry Advisory Council. Rather, deployment of training or retraining, or shortened training, may be the predominant goal.

Q: Does the 10% administrative cost limitation include salaries, employee benefits, website administration, equipment maintenance or travel expenses?

A: The 10% administrative cost cap is based on the amount of funding sought under the RFP and applied accordingly. Direct costs, which may include website administration or travel associated with performance of a specific contract deliverable, are not included in the 10% cap.

Q: Our Banner Center did not provide direct training, but focuses on creating local training partnerships between our industry, educators and the regional workforce boards. This had been a direction from WFI in our initial contract. Is there a requirement for our Banner Center, if redesignated, to compete against our industry training and association partners as a method of creating revenue?

A: No. There will not be a requirement for a Banner Center to compete against industry association partners.

Q: If our Banner Center is participating with an already established training entity or certifying body, utilizing curricula not written by our Banner Center, and/or is issuing certificates not owned by the Banner Center, does WFI assume that it owns the curricula or certificates if the Banner Center discontinues simply because it was involved in delivering the training?

A: No. WFI does not assume it owns curricula or certificates associated with curricula if developed by another organization. WFI only owns curriculum that federal workforce funds have paid for, under contract, to be developed for a specific purpose.

Q: Can funding and support from federal sources (i.e., National Science Foundation or United States Air Force) be used to fulfill the leveraged funds requirement for the Banner Center initiative?

A: Funding from the NSF or United States Air Force may be considered in-kind funding. It is assumed that if an educational institution is in receipt of these funds, they have been designated for a specific purpose, which may be complementary to the Banner Center concept, but pre-dates the competitive RFP. To use this example, if the United States Air Force pays for training deployed at the Banner Center once designated, these training expenditures can be tabulated toward the 25% funding requirement.

Q: Is the continuance of most of the Banner Centers in jeopardy?

A: No, not at all. Some Banner Center contracts have expired or will expire on June 30, 2009. Since last October, when WFI held a Banner Center Retreat focusing on identifying gaps and issues impeding full implementation, all existing Banner Center principles have been advised of WFI's intent to build on the last several years of experience and embed these recommendations in a new RFP. The WFI Board of Directors has approved funding for the Banner Centers initiative and the new RFP is consistent with our intent to move the initiative forward.

NOTE: WFI will not accept further questions regarding this solicitation.

The deadline for submitting proposals remains –

5:00 PM, Eastern, April 24, 2009