

**Local Workforce Delivery System – PA CareerLink® System Operator**

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- I. **Purpose.** To provide guidance on the initial implementation requirements for the selection of one-stop (i.e., PA CareerLink®) system operators. Such guidance will reinforce required elements (e.g., [internal controls](#)) of competitive procurement, include examples of eligible entities that may serve as a local PA CareerLink® system operator (hereafter referred to as “system operator” or “operator”) at this time, and identify implications and conditions of selecting such entities and models.
- II. **Summary of Changes.** On February 27, 2017, the Department issued Workforce System Policy (WSP) No. 121-04, *Local Workforce Delivery System—PA CareerLink® System Operator*. This change incorporates the following revisions:
  - This section was added to articulate changes to the original policy;
  - All references to a “workforce delivery system standing committee” were removed; and
  - Minor typographical and grammatical errors were fixed.
- III. **References and Resources.** A list of the references and resources used in the development of this policy can be found at [Appendix A](#). Such resources provide additional information that may support implementation of this policy by the commonwealth’s workforce system stakeholders.
- IV. **Definitions.** A list of definitions for terms used throughout this policy can be found at [Appendix B](#).
- V. **Background.** The Workforce Innovation and Opportunity Act changed the way in which one-stop operators are selected. The U.S. Congress envisioned an actual, not ethereal body to represent the one-stop operator given the important role it plays within the one-stop delivery system. Under this Act, local boards are required to select such operators through a competitive procurement process. WIOA, its final rules, and federal guidance, as well as the Office of Management and Budget (OMB), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (a.k.a., “OMB,” “Uniform Guidance,” or “Super Circular”) provided clarity and changes to the local system operator procurement process requirements. Such clarification established that, consistent with their statutory roles and responsibilities, and in order to receive funds made available under WIOA title I, local boards must conduct an open and competitive procurement process to select an appropriate system operator(s). Local boards will serve as a strategic entity to leverage resources and capacity; drive local workforce investment activity; and effectively use and manage funds in order to oversee the local workforce development system. To ensure the aforementioned responsibilities are accomplished and that the vision and goals of the governor are met, the Department has developed this policy, and required the actions provided herein.
- VI. **Summary of Required Actions.** Consistent with WIOA, its regulations, and the Department’s transition provisions outlined in its workforce directive, [Workforce System Guidance \(WSG\) No. 01-2015, Implementation of the Workforce Innovation and Opportunity Act—Transition Provisions, Section V., Operator Selection](#), issued July 9, 2015, each local board must demonstrate it has taken steps to prepare for the competitive procurement of its system operator(s).

Action on the requirements listed below, as well as within the referenced appendices, must be acknowledged, agreed upon, and documented by the local area’s chief elected officials, local board

members, and WIOA required partners prior to the procurement of the local system operator. Such documentation of actions must be retained locally and made available to the Department, upon request.

- **No later than November 17, 2016.** Local boards were required to take steps to prepare for the competitive procurement of a system operator. Each local board must demonstrate that such steps were taken. (See [Appendix C](#) for details concerning the actions described above.)
- **No later than June 30, 2017.** Each local board must competitively procure at least one (1) local system operator. This procured system operator must be in place by July 1, 2017. (See [Appendix D](#) for details concerning the actions described above.)

**VII. Role of the Operator.** This section outlines the key roles, suggested responsibilities, and limitations of each operator in the PA CareerLink® service delivery system.

**A. Key Roles.** The singular mandatory role the system operator(s) is tasked with is the *coordination* of service delivery of [one-stop partners](#) and service providers in the one-stop delivery system. Local boards may establish additional roles of the system operator(s), including, but not limited to: coordinating service delivery in a multi-center area, which may include affiliated sites; or participating in the development of the local plan. All the roles and responsibilities of the system operator(s) must be set forth in the local Memorandum of Understanding (MOU) and fully comply with established internal controls and conflict of interest policies and procedures.

**Site Functional Management.** The operator(s) will ensure seamless service delivery within the local workforce delivery system. The operator oversees the functional supervision that may take the form of a center manager or other means as determined effective. The duties of the center manager include: organize and coordinate all co-located partner staff by function in accordance with state personnel rules, collective bargaining agreements and state policy and guidance; establish a service delivery model that is customizable to the needs of individual customers; develop operational procedures and protocols that promote effective seamless service delivery ensuring that individual partner program performance and outcomes are not negatively impacted; communicate workforce system policy, directions and information according to communication protocol; and establish policies and procedures for situations such as inclement weather, holidays, breaks or time off, accounting for relevant policies that may not be consistent across the partners.

**Note:** State employees must be governed by state personnel rules, collective bargaining agreements, and state policy.

**B. Responsibilities.** The local board should consider the following expectations when determining the operator's responsibilities:

- Serves in a manner similar to that of an intermediary with all the one-stop partners,
- Knows and understands the parameters under which the partners provide services,
- Knows and understands each partner's performance measurement goals,
- Insures that an effective partner referral mechanism is in place for the benefit of individuals and the partners' performance; if appropriate, recommends referral mechanism criteria to service delivery system stakeholders,
- Attends individual one-stop partner meetings and is knowledgeable regarding upcoming community events and assures all appropriate partners are informed and participate,
- Acts as an ambassador for the one-stop system to the community,
- Provides a bridge to business services and resources,

- Assures compliance with the Department’s and local board’s one-stop center certification criteria which is essential for receipt of infrastructure funding,
- Assures the Department’s ‘Methods of Administration’ are enacted and maintained, as well as ensuring that relevant equal opportunity and civil rights measures are enforced,
- Recommends, maintains, and retires technologic tools and services needed for the operation of the one-stop center, and,
- Tracks and implements the negotiated one-stop partner Memoranda of Understanding (MOU).

C. **Limitations.** A system operator(s) may not perform the following functions: convene system stakeholders to assist in the development of the local plan; prepare and submit local plans; be responsible for oversight of itself or other operators; manage or participate in the competitive selection process for system operator(s); select or terminate system operator(s), career services, and youth providers; negotiate local and/or regional performance accountability measures; or develop and submit budget for activities of the local board in the local area or regional area.

D. **Service Provision.** The system operator may provide services. The requirements found at 20 CFR 678.625 must be employed (i.e., internal controls) within the operator-service provider entity, as well as specific policies and procedures at the local board level regarding oversight, monitoring, and evaluation of performance of the service provider are to be followed. Additionally, an entity (or entities) serving as a system operator, that also serves a different role within the one-stop delivery system, may perform some or all of these functions when it is acting in its other role, if it has established sufficient internal controls and conflict of interest policies and procedures are followed. *(See 20 CFR 679.430)*

VIII. **Role of the Center Manager.** The PA CareerLink® operator may designate a center manager (consistent with a model(s) selected by the local board) for each comprehensive center, affiliated site, and specialized center as appropriate. A center manager may be hired, selected from current partner staff, or by other alternative method to ensure functional supervision of day-to-day operations. A center manager may oversee multiple sites. Duties must include: staffing plans that provide adequate office coverage at all times in a manner that allows fair and equitable opportunity for time off; ensuring staff adhere to all applicable policies and procedures; ensuring staff present a professional and positive image; and, ensuring consistent communication procedures are followed.

If a center manager is hired, the roles and responsibilities of the center manager must not conflict with those of the operator and must be fully delineated from those roles and responsibilities of the operator. Such clarification must be provided in the procurement request and resulting contract.

IX. **General Considerations.** The following considerations have been developed by the Department to provide guidance for the initial implementation of local system operator procurement:

- The Department may review the documentation provided for details related to the actions that the local board has taken toward system operator procurement. *(See Appendix C)*
- Neither requests for additional or alternative entities to serve as local system operators nor requests for additional or alternative models of such entities (see [Appendix D](#)), will be considered until the conclusion of at least one (1) program year of this initial implementation process (i.e., no sooner than June 30, 2018), unless such requests pertain to planning region-oriented models.
- Local boards must consider what is necessary to assure all required partners are effectively served by the local system operator(s), with special regard given to WIOA-identified core program partners input, and ensuring consistency with a regional and/or local MOU, as applicable, the regional and local plan, and the PA CareerLink® system certification process and requirements.

**A. Procurement Practices.** Consistent with the Department’s Financial Management Guide, local boards may choose one of the following two (2) procurement methods in the procurement of its operator(s): Sealed bids or Competitive proposals. In addition, where certain criteria are met, a one-stop operator may be selected by a noncompetitive proposal (sole source), which must be approved by the Department.

- Local boards are required to have both general and one-stop operator-specific procurement policies, which must be consistent with the Uniform Guidance, the Department’s Financial Management Guide, and this policy. The procurement practices must be deemed to satisfy the parameters of an open and fair competition.

**Note:** The Department cautions local boards with regard to a procurement that results in the selection of one entity that will serve as both the operator and the provider of WIOA title I-B services. Where such a procurement exists, the local board must be able to demonstrate that no special provision was made to allow program funding used to reimburse the provider of WIOA title I-B services to compensate as a contribution towards the costs of an operator. Such a practice may be perceived as an unfair competition, which violates statute.

- Procurement practices such as ‘joint requests’ for procuring operator(s) and WIOA title I-B service providers; use of the ‘small purchase’ procurement method; and detailing reasonable expectations, responsibilities, and deliverables in the [procurement request](#) are detailed within the Department’s Financial Management Guide.
- Although local boards may issue joint requests for procuring the operator, as well as WIOA title I-B services provider(s), the Department highly recommends separate procurement transactions.
- If a joint procurement transaction is elected and that transaction results in the selection of one entity serving as both the operator and a provider of WIOA title I-B services, then the local board must award separate contracts for each of the services to be provided (i.e., one contract for each operator(s) and different contracts for any provider(s) of services).
- If a local board selects a method of procurement that utilizes a small-purchase threshold to procure the local area system operator(s), then the local board must provide a complete list of the specifications developed regarding such procurement to be pre-approved by the Department. Additionally, local boards utilizing this method for the system operator procurement must obtain at least three (3) written quotes in order for this method to be considered viable.
- Local boards must describe the expected roles and responsibilities of the system operator in the [procurement request](#).
- The [procurement requests](#), proposals, and resulting contracts between the local board and the entity or entities selected to serve as the system operator(s) must describe the deliverables required of the system operator(s) to demonstrate the efforts taken on behalf of all partners in the local system.

**B. Contracts.**

- Local boards considering performance-based (i.e., [pay for performance](#)) contracts must provide written communication of such interest to the Department prior to issuance of the request for proposal and/or contract. This communication must satisfy the requirements set forth at 20 CFR Part 683, Subpart E, *Performance-Based Contracting*, as well as Chapter 10 of the Financial Management Guide associated with the Department’s Workforce System Policy (WSP) 03-2015, *Financial Management Policy*.
- Contracts must address the [operator evaluation](#) and [participating partner survey](#) in addition to

statutory or regulatory requirements, aforementioned Department requirements, or any other requirements developed by the local board, or the Pennsylvania Workforce Development Board.

- Local boards must select the one-stop operator through a competitive process at least once every four (4) years. Local boards are encouraged to award an initial one (1) year contract, with an option to renew the duration, as well as other variables of the contract, up to a total of four (4) years.
- All contracts, agreements, or MOUs between the operator and the local board must include the essential elements of a legally executed and binding written agreement (i.e., Statement of Work, Authorized Officials and Purpose, and Additional contractual terms and conditions) as outlined in TEGE No. 15-16, *Competitive Selection of One-Stop Operators*.

**C. Evaluation.** The operator must, at minimum, be evaluated within the initial six (6) months after the contract start date, and then at least annually thereafter. Such assessment must include, but are not limited to: contract provisions, [participating partner surveys](#), other performance measures developed by the local board, and be consistent with PA CareerLink® certification requirements.

**D. Structure.**

- Any organization that has been, or will be, selected as the system operator and a direct provider of workforce-related services/activities – must develop a written agreement with the local board and chief elected official to clarify how the organization will carry out its roles and responsibilities regarding these functions while demonstrating compliance with WIOA and its corresponding regulations and guidance, relevant OMB circulars, as well as the Department’s workforce system directives. The local board must describe any such arrangement in its local plan, as well as any modification to such plan. The Department will not approve plans that do not clearly demonstrate that appropriate internal controls and conflict of interest policies have been implemented.
- The local board must ensure appropriate internal controls and conflict of interest policies and procedures are in place. These policies and procedures must conform to the specifications in 20 CFR § 679.430 for demonstrating internal controls and preventing conflict of interest.

The local board must be able to participate/conduct an unbiased procurement process, free from conflicts of interest, and with proper internal controls intact.

**E. Operator Costs.**

- Local boards have the flexibility to determine the funding source(s) to support the operator (e.g., shared cost spread among all partners, local government general revenue, and/or philanthropic sources like the United Way).
- Costs associated with the system operator(s) will be both administrative and programmatic in nature. The contractual agreement between the local board and the operator must clearly identify the functions that are either administrative or programmatic regardless of the mechanism used in the procurement process. Additionally, such contracts must also include the funding source(s) that will be applied.

The regulations define administrative costs at 20 CFR 683.215(b) as the allocable portion of the costs associated with specific functions and not related to the “direct provision of workforce investment services, including services to participants and employers.” Such costs are subject to the administrative cost limits (i.e., 10 percent of the WIOA program’s annual program year allocation).

Local boards are required to develop a Memorandum of Understanding (MOU) with each of the required partners. The MOU addresses the services to be provided by each partner program, as well as the shared costs (including infrastructure costs) associated with providing such services

through the PA CareerLink® service delivery system. The resource sharing and budget portion of the MOU will also discuss how the costs of the operator(s) will be determined.

- The system operator(s) roles and responsibilities must be included within the local Memorandum of Understanding (MOU). The MOU must also describe the cost associated with the system operator(s) and how such costs will be funded.
- The responsibility of operator procurement and assessment is borne by the local board(s); and as such, the local board is responsible for the costs incurred. Costs/expenses may derive from: procurement and assessment processes, board staff salary and expenses, and third party involvement in the aforementioned.
- WIOA mandates the competitive procurement of the one-stop operator and offers flexibility for funding the one-stop operator. Because of the nature of the roles and responsibilities associated with an operator, WIOA presumes there are costs associated with such an entity. The possibility of a purely 'non-financial' operator does not exist; however, the local board may consider options to achieve the lowest operator cost possible given the goals and strategies the board desires to implement. Local boards control the cost of an entity serving in the capacity of an operator by determining the scope of the one-stop operator's roles and responsibilities. A cost reduction strategy that may be used, in part, is the proposed employment of one-stop partner 'in-kind' contributions to help fund the operator.
- Local boards will be required to address each of the following in the contract with the operator and the local Memorandum of Understanding (MOU):
  - Identify the entity/individual that will provide the operator roles and responsibilities;
  - Identify the funding source(s) used for operator personnel expenses;
  - List the roles and responsibilities of the one-stop operator; and
  - Appropriate placement of internal controls/firewalls and how they will be enforced.
- The entity that claims 'employer of record' status for employees assigned to and/or associated with the roles and responsibilities of the system operator(s), must assume the costs, expenses, and salary of the employee. **Note:** Costs, expenses, and salary of such employees are a shared cost within the local workforce delivery system.

**X. Monitoring.** Local boards are required to monitor its one-stop operator(s). Monitoring includes an attestation by the monitoring entity that it has examined compliance with the requirements of WIOA, the Uniform Guidance at 2 CFR part 200 and 2 CFR part 2900, as well as the terms and conditions of the contract/agreement with the operator. The Department may review such compliance.

**XI. Contact Entity.** Requests and/or inquiries related to this guidance should be forwarded to the Pennsylvania Department of Labor & Industry, Bureau of Workforce Development Administration via the following resource account: [RA-LI-BWDA-Policy@pa.gov](mailto:RA-LI-BWDA-Policy@pa.gov)

**XII. Accessibility.** Pennsylvania's workforce system directives are available for downloading on the PA Department of Labor & Industry website at <http://www.dli.pa.gov>

**XIII. Appendices.**

- Appendix A: References
- Appendix B: Definitions
- Appendix C: Steps Toward Procurement
- Appendix D: Operator Categories and Procurement Models

## Appendix A: References/Resources

- [Public Law \(Pub. L.\) 113-128, Workforce Innovation and Opportunity Act \(WIOA\)](#)
- [20 Code of Federal Regulations \(CFR\), WIOA Final Rules and Regulations](#)
- [29 CFR Part 97, Monitoring and Reporting Program Performance](#)
- [2 CFR Part 200 et al, and Part 2900, Office of Management and Budget \(OMB\) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [USDOL Employment and Training Administration's \(ETA\) Training and Employment Guidance Letter \(TEGL\) No. 19-14, Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act](#)
- [TEGL No. 27-14, Workforce Innovation and Opportunity Act Transition Authority for Immediate Implementation of Governance Provisions](#)
- [TEGL No. 37-14, Update on Complying with Nondiscrimination Requirements: Discrimination Based on Gender Identity, Gender Expression and Sex Stereotyping Are Prohibited Forms of Sex Discrimination in the Workforce Development System](#)
- [TEGL No. 41-14, Workforce Innovation and Opportunity Act \(WIOA or Opportunity Act\) Title I Training Provider Eligibility Transition](#)
- [TEGL No. 3-15, Guidance on Services Provided Through the Adult and Dislocated Worker Program under Workforce Innovation and Opportunity Act \(WIOA or Opportunity Act\) and Wagner-Peyser, as Amended by WIOA, and Guidance for Transition to WIOA Services](#)
- [TEGL No. 4-15, Vision for the One-Stop Delivery System under the Workforce Innovation and Opportunity Act \(WIOA\)](#)
- [TEGL No. 8-15, Second Title I WIOA Youth Program Transition Guidance](#)
- [TEGL No. 15-16, Competitive Selection of One-Stop Operators](#)
- [USDOL Employment and Training Administration's Training and Employment Notice \(TEN\) No. 1-15, Promising Practices in Achieving Universal Access and Equal Opportunity: A Section 188 Disability Reference Guide](#)
- [Pennsylvania Workforce System Policies](#)

## Appendix B: Definitions

**Core programs** are the partner programs found in WIOA title I (Adult, Dislocated Worker, and Youth); title II (Adult Basic Education and Literacy); title III (Wagner-Peyser); and title IV (Vocational Rehabilitation).

**Department** is the Pennsylvania Department of Labor & Industry, which has been designated by the governor to serve as the state administrative entity/state workforce agency.

**Employer of Record** is an entity that serves as a solely administrative party between such an entity and the individual(s) it employs, wherein no functional or supervisory relationship in part or in whole exists within the relationship.

**Firewall** is type of internal control set within an organization to prevent conflict of interest situations while allowing for clear separation of duties between involved parties. Such firewall(s) serve as an ethical barrier between involved parties to prevent an exchange of information or communication that can lead to a conflict of interest or the perception of a conflict.

**Internal Controls** are criteria established as a business practice, policy or procedure within an organization to create value while minimizing risk. These controls are set in a manner to ensure the organization operates in compliance with all applicable laws, regulations, policies, procedures and agreements.

**JobGateway®** is the registered trademark for Pennsylvania's online, job-matching system for jobseekers and employers.

**Operator Evaluation** is a mechanism that is developed and used to assess an operator's performance and keep the local board apprised of such performance. The assessment must include, but is not limited to: contract provisions; [participating partner surveys](#), other performance measures developed by the local board, and be consistent with PA CareerLink® certification requirements.

**PA CareerLink®** is the registered trademark for Pennsylvania's one-stop service delivery system and its local centers/sites/network.

**Participating Partner Survey** is a document that allows each partner within an operator's purview to evaluate the efficiency and effectiveness of the operator. The local board shall consider the survey results, at a minimum, whenever the operator is being evaluated as described herein.

**Pay for Performance (PFP)** is a contract strategy that provides government funding streams for a fix amount to an eligible service provider based on achievement of a specified level of performance for target populations as identified by a local board in accordance with the performance accountability system established by WIOA Sec. 116(b)(2)(A).

**Procurement Request** is the mechanism in the procurement process that is used to solicit a response from an entity (or entities) to provide a service or activity. For example, both a Request for Proposal (RFP) and a Request for Quotes (RFQ) are procurement requests.

**Required and additional partners** are the partner entities identified as "required" at WIOA Sec. 121(b)(1)(B) and as "additional" at WIOA Sec. 121(b)(2)(B), as well as, at 20 CFR §§ 679.400 and 405 respectively, that compose the designated area's one-stop delivery system. The required partners are the entities responsible for administering the required programs and activities in the local area. In addition to the required partners, other entities that carry out a workforce development program, including federal, commonwealth, or local programs and programs in the



private sector, may serve as additional partners in the one-stop delivery system if the local board and chief elected official(s) approve the entity's participation (see 20 CFR § 678.410). **Note:** The entity that carries out the program and activities listed at WIOA sections 121(b)(1)(B) and 121(b)(2)(B), and therefore serves as the one-stop partner, is the grant recipient, administrative entity, or organization responsible for administering the funds of the specified program in the local area. **Attention:** Consistent with WIOA final rules, the term "entity" does not include the service providers that contract with, or are subrecipients of, the local administrative entity (e.g., title I service providers are not program partners). For programs that do not include local administrative entities, the responsible commonwealth agency must be the partner. Specific entities for particular programs can be found at 20 CFR § 678.415.

## Appendix C: Steps Towards Procurement

- I. **General.** Effective immediately, all local boards must competitively procure their local area system operator(s), if such an entity has not already been procured. Each local board must make available for any federal and/or state review and retain appropriate documentation (i.e., a written description of one of the elements described below) of the efforts the local board took to prepare for competition of its operator(s).
- II. **Demonstration.** Local boards who have not competitively procured a system operator prior to July 1, 2016 must complete and document at least one (1) of the following actions listed below, elements (A – D):
  - A. **Conduct and document market research.** Market research is a systematic gathering, recording, and analysis of qualitative and quantitative data about target markets or customers, and uses statistical and analytical methods and techniques to gain insight or support decision-making. The goal of market research, relating to operator procurement, is to find suitable contractor options. Local boards electing this option must, at a minimum, provide the results/conclusions of the market research conducted, to include the identification and analysis of the market need, market size and competition.
  - B. **Conduct and document a cost-price analysis.** Cost analysis is the evaluation of the separate elements (e.g., labor, materials, etc.) that make up a contractor's total cost proposal or price (for both new contracts and modifications) to determine if they are allowable, directly related to the requirement and ultimately, reasonable; and price analysis is the process of deciding if the asking price for a product or service is fair and reasonable, without examining the specific cost and profit calculations the contractors used in arriving at the price. It is essentially a process of comparing the price with known indicators of reasonableness. Local boards electing this option of demonstration must, at a minimum, provide the results/conclusions of the cost-price analysis as well as an attached narrative of the intended function and outcomes of the operator in alignment with the local board's vision and service delivery goals.
  - C. **Develop and document a transition plan.** This demonstration consists of the development of a written description that is consistent with this guidance and at a minimum, provides a step-by-step outline of a plan, which includes a timeline, capturing the local board's course of action to procure and have in place a local PA CareerLink® operator.
  - D. **Develop and document other acceptable efforts.** This demonstration outlines the requirements for efforts other than those provided above (A-C) that the Department deem acceptable. Local boards that have not completed any of the aforementioned actions, must develop and document at least three (3) of the seven (7) descriptions to follow:
    - *Local (and/or regional) vision.* A description of the local workforce board's vision for the local PA CareerLink® system operations;
    - *Roles and responsibilities.* A description of the roles and responsibilities of the local PA CareerLink® system operator. Such roles and responsibilities must include, at minimum, the coordination of service providers, programs and services across the PA CareerLink® delivery system. This description must deconstruct, to the greatest extent possible, what the roles and responsibilities will entail; and break-down, by cost type, which responsibilities are administrative and which are programmatic;
    - *Controls.* A description of the local board's plan to establish adequate internal controls, addressing, at a minimum, where firewalls will exist, with particular attention to firewalls relating to employer of record and governance-operations conflicts; and ensure every part of the procurement process is consistent with federal, state and local laws, regulations, policies and procedures. This process must in no way hinders free and open competition, create a disincentive to the provision of services to

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individuals with barriers to employment, or unfairly advantage one (1) local workforce system partner or partner program over any other;

- *Evaluation.* A description of the local board's plan to evaluate the operator's performance. Such evaluation must include examples of:
  - Local one-stop center/system efficiency and effectiveness measures;
  - Measures associated with the performance of the local one-stop system partner programs;
  - Measures associated with the costs of the one-stop system; and
  - Continuous improvement.
- *Identify availability.* A description of efforts made to identify the availability of eligible one-stop operators with capacity to satisfy the descriptions provided above;
- *Allowable selection processes.* A description of allowable processes to be used to select such one-stop operators;
- *Selection processes and bid criteria.* A description of how such procurement processes will be conducted, to include selection criteria by which bids will be scored.

**III. Documentation and Record Keeping.** Documentation is required for several steps in the competition process and is key for ensuring transparency. WIOA regulations at 20 CFR 678.605(d) requires the entities conducting the competition to prepare written documentation explaining the determination concerning the nature of the competitive process to be followed in selecting the one-stop operator(s). Further, Section 200.318(i) of the Uniform Guidance requires the maintenance of records sufficient to detail the history of a procurement. Such resources, as well as the Department's Financial Management Guide, provide sufficient information to maintain the appropriate documentation of all procurement transactions.

Consistent with this policy, such record keeping must include documentation of the local board's establishment of model-specific internal controls, with specific regard to firewalls and mechanisms, that were established to prevent real or perceived conflicts of interest. The Department may review the local board's record keeping to ensure such controls are in place to prevent real or perceived conflicts of interest.

## Appendix D: Operator Categories and Models

- I. **Eligible Entities.** PA CareerLink® system operators may be a single entity (public, private, or nonprofit) or a consortium of entities; an operator may operate one (1) or more PA CareerLink® center(s) in a local area, and an operator may operator more than one (1) local system in a region. The type of entity (or entities) that can be deemed eligible as a system operator includes:
- An institution of higher education;
  - A community-based organization;
  - A nonprofit organization;
  - A workforce intermediary;
  - A government agency;
  - A for-profit entity;
  - A nontraditional public secondary school; and
  - Any interested organization that can carry out the duties of the one-stop operator, to include nontraditional entities such as a chamber of commerce, an economic development corporation, or a labor organization.
- II. **Restricted Entities.**
- Elementary schools and secondary schools are not eligible to be system operators, with the exception of a nontraditional public secondary school such as a night school, adult school, or an area career and technical education school.
  - Commonwealth agencies, with specific regard to those entities responsible for administering the required programs and activities in the local area, are prohibited at this time from being selected as or serve, in whole or part, as a system operator for any local area PA CareerLink® system.
  - The local board (as a whole), local board staff, the fiscal agent (if one exists), and fiscal agent staff are prohibited from providing any workforce-related direct services and/or activities, and cannot be selected as or serve, in whole or part, as a system operator for any local area PA CareerLink® system.
- III. **Categories.** Local boards should consider which of the following categories, or hybrid of the following, will best serve as the system operator(s):
- **Single-entity operator.** An entity as described above may apply for, and be selected as, a PA CareerLink® system operator.
  - **Consortium of entities as an operator.** A consortium of entities as described above, may apply for, and be selected as, the PA CareerLink® system operator. In such cases, the consortium fulfills the responsibilities required of such an entity as outlined during the procurement and contracting processes. All entities that compose the consortium must sign the contract between the local board and the PA CareerLink® system operator.
  - **Multiple operators in a single local workforce development area.** Consistent with WIOA and its regulations, local boards can procure more than a single operator for the local area.
  - **Regional operator(s).** In a planning region (i.e., a region that is composed of two (2) or more local areas), where there are multiple PA CareerLink® centers, local chief elected officials and local boards that make up the planning region may consider a single PA CareerLink® system operator for all of the PA CareerLink® centers within the region. In such cases, the chief elected officials and local boards would determine which operator model (below) best suits the planning region’s needs and resources.

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- IV. **Categories and Models.** Local boards must procure an [eligible entity](#) (or entities) to serve as the system operator(s) for the local area. As such, local boards have some flexibility in determining the type of entity and how such an entity is selected. After consultation with chief elected officials and local boards, the Department has determined that local boards must use one of the categories listed below (A-D) and model as appropriate. If a local board is considering a hybrid model (i.e., employing components of more than one model), the board must consult with the Department prior to the [procurement request](#).

All other considerations and requirements relating to procurement and one-stop operators found in federal, state, and local statute, regulations, policies, procedures, agreements, directives, Section II., [Restricted Entities](#) of this appendix, and Section IV., [General Considerations](#) of this policy must be adhered to as applicable.

### A. Single-entity operator category.

- **Model #1. Entity selected as the system operator also serves as the WIOA title I services provider.**

This model allows the local board to procure an entity that will serve as the system operator and will be the same entity that will serve as the competitively-procured WIOA title I services provider for the local area. The local board must award separate contracts for each of the services to be provided.

- **Model #2. Entity selected as the WIOA title I services provider is embodied in a local governmental, quasi-governmental, or corporation structure.**

This model is most compatible where the competitively-procured WIOA title I services provider(s) is embodied in a local government entity, corporation, or commission. The local board is still required to procure the operator(s). The local board must be able to participate/conduct an unbiased procurement process, free from conflicts of interest, and with proper internal controls intact.

- **Model #3. The entity selected to serve as the system operator elects to, or is required to, employ a single individual (i.e., site administrator or center manager) or a group of individuals to carry-out, in whole or in part, the onsite functions of the operator.**

This model allows a local board to procure an [eligible entity](#) to serve as the operator; whereas, whichever entity is procured will be required to maintain a role and function for the current PA CareerLink® system center manager (a.k.a., site administrator). The [procurement request](#) must include a detailed job description or clear description of the PA CareerLink® system responsibilities.

- *Option 1: Maintain current center manager and such individual's employer of record status.* The local board specifies in their procurement process that the entity selected as the system operator must maintain the individual currently serving as the site administrator/center manager, and that the entity selected must maintain the employer of record status for the individual/staff selected to serve as the site administrator. Any proposal submitted by an entity must indicate the duties of the center manager. The entity selected must agree to serve as operator *employer of record* for the center manager.

**Note:** This option is only available as long as a current center manager (employed as of the date of this policy) remains in place. Once the current center manager ceases to fill the position, a local board must refer to option two (2) or three (3) of this model if such model will continue to

## Appendix D: Operator Categories and Models

be utilized in the local area.

- *Option 2: The local board and the operator collectively agree on the individual selected to serve as the center manager.*
  - The local board must indicate in its [procurement request](#) the duties of the center manager. The entity selected must be jointly decided between the local board and the operator.
- *Option 3: Operator selects the individual to serve as the center manager.*
  - Any proposal submitted by an entity must indicate in its procurement process the duties of the center manager and the entity selected may select staff as appropriate.

### B. Consortium of entities operator category.

- ***Model #4. Any entity that composes the consortium also serves as the WIOA title I services provider.***

This model envisions two (2) separate procurement processes, or a single process with two (2) distinct sections (i.e., operator services and WIOA title I-B services). In this model, local boards can specify that entities can apply to deliver one (1) or both requested services, or local boards can limit proposers to either one (1) or the other. The procurement must include a detailed job description and a clear description of the system functions and the operator's deliverables.

- ***Model #5. Any eligible entities that compose a consortium.***

This model envisions two or more eligible entities applying to be the entity serving in the capacity of an operator. The procurement must include a detailed job description and a clear description of the system functions and the operator's deliverables.

**C. Multiple operators in a single local workforce development area operator category.** A local board in consultation with the chief elected official(s) may develop a strategy that includes more than one operator for the local area. In such cases, the local board must use any one of the models listed in A, *Single-entity operator procurement models*, and/or B, *Consortium of Entities*, above for each operator to be procured. The Department strongly urges local boards to consider such things as costs, labor market, and uniformity of service delivery before employing such a strategy. Additionally, all operators within a local area must collaborate with each other to ensure uniformity of services and achievement of local goals throughout the local area.

**D. Regional operator category.** In a planning region (i.e., a region that is composed of two (2) or more local areas), where there are multiple PA CareerLink® centers, local chief elected officials and local boards that make up the planning region may consider a single PA CareerLink® system operator for all of the PA CareerLink® centers/sites within the region. In such cases, the chief elected officials and local boards would determine which operator model listed in Section IV best suits the planning region's arrangement, and ensure compliance with all federal, state, and local laws, regulations, guidance, policies, and procedures.