

**Workforce Arizona Council**  
**ARIZONA@WORK**  
One Stop Operator and Service Provider Selection Policy

**POLICY NAME:** ARIZONA@WORK One Stop Operator and Service Provider Selection Policy

**POLICY NUMBER:** 03

**EFFECTIVE DATE:** June 1, 2023

**ISSUING AGENCY:** Workforce Arizona Council

**SCOPE:** Workforce Arizona Council (Council), Arizona Department of Economic Security (DES) Staff, Arizona Department of Education (ADE) Staff, Arizona Commerce Authority/Office of Economic Opportunity (ACA/OEO) Staff, Local Workforce Development Boards (LWDBs), Local Workforce Administrative Entities and Fiscal Agents, One-Stop Operators, and Workforce System Stakeholders

**REFERENCES:** Title I of the Workforce Innovation and Opportunity Act (WIOA) of 2014, (Pub. L. 113-128); WIOA Final Regulations, 20 CFR Part 678 Description of the One-Stop System Under Title I of the WIOA; 20 CFR Part 679, 680, and 681; 2 CFR 200, TEGL 15-16, Uniform Guidance for Federal Financial Assistance, as applicable.

**OBJECTIVE:** This policy provides Local Workforce Development Boards (LWDBs) and other workforce system partners with instruction and guidance regarding the roles and responsibilities of the one-stop Operator, adult, dislocated worker, and youth career services providers and the selection processes required under WIOA.

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## **I. Definitions**

**One-Stop Delivery System:** The one-stop delivery system brings together workforce development, educational, and other human services in a seamless customer-focused service delivery network that enhances access to the programs' services and improves long-term employment outcomes for individuals receiving assistance. ARIZONA@WORK partners administer separately funded programs as a set of integrated streamlined services to job seeker and employer customers.

**ARIZONA@WORK Job Centers:** In Arizona, American Job Centers, also referred to as the one-stop delivery system, are known as ARIZONA@WORK Job Centers.

**Workforce Arizona Council:** In Arizona, the State Workforce Development Board is called the Workforce Arizona Council (Council).

**State Administrative Entity:** In Arizona, the State Administrative Entity is the Arizona Department of Economic Security (DES) for WIOA Title I, III, and IV funds and the Arizona Department of Education (ADE) for WIOA Title II funds.

**Service Provider:** The term service provider includes providers of Title I adult, dislocated worker, and youth career services as defined by WIOA.

## **II. Roles Within the One-stop Delivery System**

WIOA outlines five roles in the one-stop Delivery System: Fiscal Agent, LWDB staff, one-stop operator, direct services provider (adult, dislocated worker, and youth career services), and training services provider. The one-stop operator and direct service provider roles may be combined based on the direction of the LWDB; however, adherence to firewalls apply.

## **III. Roles and Responsibilities of the Local Fiscal Agent**

- A. To assist in administration of the grant funds, the CEO may designate an entity to serve as a local fiscal agent. Designation of a fiscal agent does not relieve the CEO of liability for the misuse of grant funds. When the CEO and the Governor have entered into an agreement for the Governor to serve as the grant recipient for the LWDA, the Governor may designate a fiscal agent.
- B. If the CEO designates a fiscal agent, the CEO or the Governor, when the CEO has entered into an agreement with the Governor to serve as the local grant recipient of the LWDA, must ensure this agent has clearly defined roles and responsibilities. In general, the fiscal agent is responsible for the following functions:

- a. Receiving funds;
  - b. Ensuring sustained fiscal integrity and accountability for expenditures of funds in accordance with Office of Management and Budget circulars, WIOA and the corresponding Federal Regulations and State policies;
  - c. Responding to audit financial findings, maintaining proper accounting records and adequate documentation;
  - d. Preparing financial reports and providing technical assistance to sub-recipients regarding fiscal issues;
- C. At the direction of the LWDB, the fiscal agent may have the following additional functions:
- a. Procuring contracts or obtaining written agreements;
  - b. Conducting financial monitoring of service providers;
  - c. Ensuring independent audit of all employment and training programs.
  - d. The grant recipient/fiscal agent has the option to provide directly some of all of the youth workforce investment activities.

#### **IV. Roles and Responsibilities of LWDB Staff**

- A. The LWDB staff roles and responsibilities include, but are not limited to:
- a. Convening system stakeholders to assist in the development of the local plan;
  - b. Preparing and submitting local plans;
  - c. Negotiating local performance accountability measures;
  - d. Assisting the LWDB in the development and submission of a budget for activities of the LWDB;
  - e. Monitoring and evaluating the management and operations of all programs funded by the LWDB;
  - f. Conducting the competitive selection process for one-stop operators and direct services providers, unless the LWDB participates in the competitive procurement process;
  - g. Monitoring operators/service providers at comprehensive or affiliate sites for performance, quality of service, cost effectiveness, and reporting on performance to the Board;
  - h. Any other functions specifically assigned to the LWDB.

#### **V. Who May Be One-Stop Operators**

- A. One-Stop Operators may be a single entity (public, private, or nonprofit) or a consortium of entities. If the consortium of entities is one of the one-stop partners, it must include a minimum of three of the required one-stop partners. In a consortium, all contractual responsibility must rest solely with one legal entity serving as the fiscal agent. A consortium must also be selected through a competitive procurement process.

- B. The one-stop operator may operate one or more one-stop centers. There may be more than one one-stop operator in a local area.
- C. One-Stop operators may include the following entities:
  - a. An institution of higher education;
  - b. An Employment Service State agency established under the Wagner-Peyser Act;
  - c. A community-based organization, nonprofit organization, or workforce intermediary;
  - d. A private for-profit entity;
  - e. A government agency;
  - f. A LWDB, with approval of the CEO and the Governor;
  - g. Another interested organization or entity, which is capable of carrying out the duties of the one-stop operator. Examples may include a local chamber of commerce or other business organization, or a labor organization.
- D. Elementary schools and secondary schools are not eligible as one-stop operators, except that a nontraditional public secondary school such as a night school, adult school, or an area career and technical education school may be selected.
- E. To eliminate any potential conflicts of interest or the appearance of conflicts of interest, and conduct fair and open competitive processes, the LWDB must develop a written plan of how it will operate with firewalls that are compliant with WIOA, Council Conflict of Interest policy, and Uniform Guidance at 2 CFR Part 200, subpart D.

## **VI. One-Stop Operators Roles and Responsibilities**

- A. The LWDB must determine the roles and responsibilities of the one-stop operator(s) prior to conducting the procurement process and must clearly articulate the role of the one-stop operator through the competitive process.
- B. At a minimum, the one-stop operator must coordinate the service delivery of required one-stop partners and service providers.
- C. LWDBs may establish additional roles of the one-stop operator, including, but not limited to:
  - a. Coordinating service providers across the one-stop delivery system;
  - b. Being the primary provider of services within the center;
  - c. Providing some of the services within the center;
  - d. Coordinating service delivery in a multi-center area, which may include affiliated sites.
- D. A one-stop operator may not perform the following functions:
  - a. Serve as staff to the LWDB;

- b. Convene system stakeholders to assist in the development of the local plan;
  - c. Prepare and submit local plans;
  - d. Be responsible for oversight of itself;
  - e. Manage or significantly participate in the competitive selection process for one-stop operators;
  - f. Select or terminate one-stop operators, adult, dislocated worker, and youth services providers;
  - g. Negotiate local performance accountability measures;
  - h. Develop and submit a budget for activities of the LWDB in the local area;
  - i. Any other functions specifically assigned to the LWDB.
- E. The Council and LWDBs must ensure that in carrying out WIOA programs and activities, one-stop operators:
- a. Disclose any potential conflicts of interest arising from the relationships of the operators with particular training service providers or other service providers;
  - b. Do not establish practices that create disincentives to providing services to individuals with barriers to employment who may require longer term career and training services;
  - c. Comply with Federal regulations and procurement policies relating to the calculation and use of profits, including those at 20 CFR 683.295, the Uniform Guidance at 2 CFR chapter II, and other applicable regulations and policies.
  - d. The LWDB is responsible for the oversight of the one-stop operator.

## **VII. Roles and Responsibilities of Adult, Dislocated Worker and Youth Services Providers**

### **A. Adult and Dislocated Worker Career Services**

- a. The applicable career services to be delivered by required one-stop partners are those services listed in 20 CFR § 678.430 that are authorized to be provided under each partner's program. Career services must be provided through the one-stop delivery system.
- b. Working with the State, the LWDB satisfies the consumer choice requirement for career services by:
  - i. Determining the career services that are best performed by the one-stop operator and career services that require contracting with a career service provider;
  - ii. Identifying a wide-array of potential career service providers and awarding contracts where appropriate including to providers to ensure:
    - 1. Sufficient access to services for individuals with disabilities, including opportunities that lead to integrated, competitive employment for individuals with disabilities;

2. Sufficient access for adult education and literacy activities.
- iii. The LWDB is responsible for the oversight of adult and dislocated worker career services programs.

## B. Youth Services

### a. WIOA includes 14 youth services program elements:

- i. Tutoring, study skills training, instruction and evidence-based dropout prevention and recovery strategies that lead to completion of the requirements for a secondary school diploma or its recognized equivalent (including a recognized certificate of attendance or similar document for individuals with disabilities) or for a recognized post-secondary credential;
- ii. Alternative secondary school services, or dropout recovery services, as appropriate;
- iii. Paid and unpaid work experiences that have academic and occupational education as a component of the work experience, which may include:
  1. Summer employment opportunities and other employment opportunities available throughout the school year;
  2. Pre-apprenticeship programs;
  3. Internships and job shadowing; and
  4. On-the-job training opportunities;
  5. Occupational skill training, which includes priority consideration for training programs that lead to recognized post-secondary credentials that align with in- demand industry sectors or occupations in the local area involved, if the Local Board determines that the programs meet the quality criteria described in WIOA;
- iv. Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- v. Leadership development opportunities, including community service and peer- centered activities encouraging responsibility and other positive social and civic behaviors;
- vi. Supportive services;
- vii. Adult mentoring for a duration of at least 12 months that may occur both during and after program participation;
- viii. Follow-up services for not less than 12 months after the completion of participation;
- ix. Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling, and referrals to counseling, as needed by individual youth;
- x. Financial literacy education;
- xi. Entrepreneurial skills training;
- xii. Services that provide labor market and employment information about in- demand industry sectors or occupations available in the local area,

- such as career awareness, career counseling, and career exploration services; and
- xiii. Activities that help youth prepare for and transition to post-secondary education and training.
- xiv. The LWDB is responsible for the oversight of youth programs.

## **VIII. Selection Processes for One-Stop Operator, and Adult, Dislocated Worker, and Youth Service Providers**

- A. The LWDB must determine the method of selection for the one-stop operator, and adult, dislocated worker, and youth services providers, in compliance with WIOA requirements.
- B. One-Stop Operator: The LWDB must select the one-stop operator through a fair and open competitive process at least once every 4 years.
- C. Adult/Dislocated Worker Career Services: Career services may be provided directly by the one-stop operator or through contracts with direct service providers that are approved by the LWDB.
  - a. Career services provided directly by the one-stop operator must be competitively procured through the procurement process. If providing career services is not included in the one-stop operator procurement, the LWDB cannot award a contract to be a career services provider to the one-stop operator unless the contract is awarded through a competitive procurement process and proper firewalls are established and documented.
  - b. The LWDB must determine the process for selecting and awarding contracts to adult and dislocated worker service providers not provided by the one-stop operator. The process for awarding these contracts must be in compliance with Arizona Conflict of Interest regulations. If the LWDB decides to competitively procure these services, the process must be conducted in accordance with the Uniform Guidance at 2 CFR parts 200 and 2900, applicable State and local procurement laws, and procedures articulated in this policy.
  - c. If the LWDB does not select and award contracts to career service providers through a competitive procurement process, the LWDB must document in writing the process and selection criteria used to award these contracts.
- D. Youth Services: The LWDB may determine that the grant recipient or designated fiscal agent may directly provide some or all of the youth workforce development activities. The LWDB must determine whether to directly provide the WIOA youth program elements that they can most efficiently and cost-effectively provide, such as labor market and employment information and services that are part of program design including assessment, supportive services and follow-up services.

- a. If a LWDB chooses to award contracts to youth service providers to carry out some or all of the youth workforce investment activities, the LWDB must award such contracts on a competitive basis.
- b. The LWDB must identify youth service providers based on criteria established in the State Plan (including such quality criteria established by the Governor for a training program that leads to a recognized postsecondary credential) and take into consideration the ability of the provider to meet performance accountability measures based on the primary indicators of performance for youth programs.

## **IX. Legally Binding Contracts Required with LWDB**

- A. The LWDB, or the fiscal agent when directed by the LWDB pursuant to 20 CFR 679.420(c)(1) must execute a legally binding agreement with each one-stop operator, adult, dislocated worker, and youth services provider.
- B. The written agreement is required for all providers regardless of whether the provider was selected through a competitive procurement or some other method determined by the LWDB.
- C. Essential Contract Elements: All contracts and agreements between the LWDB and the one-stop operator or other providers must include the essential elements of a legally executed and binding written agreement, and contain at minimum the following:
  - a. Statement of Work (SOW): The SOW specifies the period of performance or the start and end date of the contract. It also specifies the services to be performed including measurable performance goals to be delivered under the contract or agreement.
  - b. Authorized Officials and Purpose: Authorized officials are persons authorized to enter into and sign legally binding agreements and must be on record as the signatory official. Signatures of the offeror/bidder and offeree (LWDB) must be contained as part of the written contract.
  - c. Additional contractual terms and conditions: Contracts or agreements must include such standard terms and conditions that are either required by the State, Local Area, or the Federal agency as national, State, or local policy requirements. The contract or agreement must identify that one-stop operators or providers are subrecipients of Federal funds and must follow the Uniform Guidance.

## **X. Competitive Procurement Process**

- A. LWDBs must use a competitive process based on the principles of competitive procurement in the Uniform Guidance, State and local procurement law, and the Arizona Conflict of Interest law.



- B. The competitive procurement must include the following:
- a. Requests for proposals must be publicly advertised in a paper of general circulation, through qualified vendor/interested parties lists, and must be available electronically through the LWDB website and the State's ARIZONA@WORK website. The request for proposals must include a reasonable period of time for potential vendors to respond. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - b. The request for proposals must identify all evaluation factors and their relative importance;
  - c. The request for proposals must not include restrictive or unreasonable terms that would limit competition. For example, specifying that there are no funds attached to the requested procurement would be an unreasonable term;
  - d. Proposals must be solicited from an adequate number of qualified sources;
  - e. The LWDB must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  - f. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
- C. The LWDB must document their procurement procedures in writing to reflect the standards outlined in the Uniform Guidance. The procedures must ensure that all solicitations:
- a. Incorporate a clear and accurate description of the technical requirements for the services to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use.
  - b. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
  - c. The LWDB must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. The LWDB must not preclude potential bidders from qualifying during the solicitation period.
- D. The LWDB also must maintain written standards of conduct regarding individual and organizational conflict of interest (firewalls).
- E. Supporting documentation must be retained to sufficiently record the procurement process and be made available for monitoring. The LWDB must maintain records sufficient to detail the history of procurement. These records will include, but are

not necessarily limited to the following: rationale for the method of procurement, selection of contract type, estimated cost of the Service, contractor selection or rejection, and the basis for the contract price.

- F. The LWDB must ensure that the procurement process is conducted in a manner that ensures full and open competition. To ensure objective contractor performance and eliminate unfair competitive advantage, any organization that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals, or manages or conducts the competition for a one-stop operator or service provider must be excluded from competing for such procurements.
- G. The LWDB must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts.

## **XI. Sole Source Procurement Process**

- A. A sole source procurement is a contract entered into without a competitive process, based on a justification that only one known source exists or that only one single supplier can fulfill the requirements. Procurement by sole source will be permitted only if:
  - a. Documented research and analysis of market conditions and other factors lead to a determination that:
    - i. There is only one entity that could serve as a one-stop operator as defined by the LWDB; or
    - ii. Unusual and compelling urgency will not permit a delay resulting from competitive solicitation; or
    - iii. Results of the competition conducted by sealed bids or competitive proposals were determined to be inadequate.
- B. Prior to sole source procurement, the LWDB must submit written justification to the Council for approval.

## **XII. Process Required for LWDBs to Serve as One-Stop Operator and/or Adult, Dislocated Worker, and Youth Services Provider**

- A. Under WIOA, a LWDB may only serve as the one-stop operator and/or adult, dislocated worker, or youth career services provider with the approval of the CEO in the local area and the Governor. The LWDB is prohibited from serving as a training provider without obtaining a waiver from the Governor.
- B. The LWDB is considered to be serving as the one-stop operator and/or adult, dislocated worker, or youth service provider, if the organization serving as staff to the LWDB is also the employer of staff providing services as the one-stop operator and/or as the provider of adult, dislocated worker, and youth services. There must be complete separation between governance functions and operating functions

within an organization including different reporting structures.

C. A LWDB must complete the following process if it wishes to serve in the role of one-stop operator or as a service provider:

- a. The LWDB must win the procurement through the competitive procurement or sole source procurement procedures required in this policy (only when competitive procurement is required);
- b. Create a written agreement between the LWDB and the CEO that identifies how the LWDB will ensure fair and clear performance monitoring and clear separation of LWDB staff and operations staff. The LWDB must establish sufficient conflict of interest policies and procedures (firewalls) and these must be approved by the Governor.

D. Conflict of interest policies and procedures must include procedures to ensure fair and clear performance monitoring and clear separation of LWDB staff and operations staff must be documented and implemented.

E. Monitoring responsibilities include, but are not limited to:

- a. Gathering performance data and providing regular updates to the LWDB and the Council;
- b. Evaluating and reporting compliance to the provisions of WIOA and state policies;
- c. Ensuring the local staff receive, understand and use LMI data to guide service delivery and decision-making.

F. Provide evidence that the CEO in the local area agrees to the selection of the LWDB as the one-stop operator/service provider.

G. The LWDB must submit the following to the Council for review:

a. For competitive procurement:

- i. Copy of the request for proposals;
- ii. Copy of the published public notice;
- iii. Copy of written agreement between LWDB and CEO ensuring clear separation of staff and performance monitoring;
- iv. Letter documenting that the CEO agrees to the choice of the LWDB as the one-stop operator or service provider.

b. For sole source procurement:

- i. Written research and market analysis that led to determination of sole source;
- ii. Copy of published notice of intent to sole source and any responses;
- iii. Copy of written agreement between LWDB and CEO ensuring clear separation of staff and performance monitoring;

- iv. Letter documenting that the CEO agrees to the choice of the LWDB as the one-stop operator or service provider.

H. For the LWDB as a service provider not procured competitively:

- a. Copy of the written documentation of the process and selection criteria the LWDB used to award the service contract;
  - b. Copy of written agreement between LWDB and CEO ensuring clear separation of staff and performance monitoring;
  - c. Letter documenting that the CEO agrees to the choice of the LWDB as the service provider.
- I. Within 30 calendar days of a complete request, if the Council or its Executive Committee determines that a procurement process has been carried out in good faith, and the firewalls and monitoring plan are sufficient, the request for the LWDB to serve as the one-stop operator or adult, dislocated worker, or youth career service provider will be forwarded to the Governor with the Council's recommendation for approval.

If the Council determines that there are deficiencies in the processes used, or that the firewalls and monitoring plan are not sufficient, the request will be returned to the LWDB for revision. A detailed explanation of the recommendation will be provided in writing to the proposing LWDB. The LWDB may make improvements and resubmit the request to the Council.

- J. Where a LWDB acts as a one-stop operator, the Council must certify the one-stop centers.

**CONTACT ENTITY:** Inquiries regarding this policy should be directed to the Workforce Arizona Council staff [Workforce.Council@oeo.az.gov](mailto:Workforce.Council@oeo.az.gov).