

TO: Executive Committee

DATE: 03/17/11

FROM: WIB Staff

For Discussion

For Action

For Information

SUBJECT: Amendment 1 to Business Assistance Contract

PROPOSED MOTION(S): Ratify the Executive Committee’s decision to approve Amendment 1 to the Interdepartmental Agreement with the Merced County Department of Commerce, Aviation, and Economic Development (No. 2010159) reducing the contract duration to June 30, 2011.

DISCUSSION: On May 15, 2010, the Workforce Investment Board recommended the approval of business services to assist current and emerging small businesses in Merced County. These “Business Assistance” services are being provided through the Merced County Department of Commerce, Aviation and Economic Development (CAED) in the vicinities of Merced, Los Banos, Atwater, Delhi, Planada, and Le Grand. The services provided to businesses include technical assistance and business counseling to small business owners and prospective business owners and shall cover: (1) preparation of a business plan; (2) licenses and permits; (3) legal requirements and insurance; (4) cash flow management; (5) tax requirements; (6) financial analysis and projections; (7) market research; (8) marketing plans; (9) advertising and public relations; (10) personnel; (11) site selection; and (12) general business management and operating practices. Both the American Recovery and Reinvestment Act of 2009 (ARRA), and the Workforce Investment Act (WIA) encourages providing “business retention and expansion services”. This Agreement has been providing layoff-aversion strategies through one-on-one business counseling and classroom instruction, including textbooks, materials and handouts at a cost not to exceed \$46,890.

Due to the utilization end date of ARRA funds in June and the anticipation of reduced WIA funding for Program Year 2011/12, it is recommended that the end date for this contract be modified to reflect the ARRA end date of June 30, 2011.

ATTACHMENT(S): N/A