

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

September 10, 2024

FROM

BRADLEY GATES, Director, Workforce Development Department

SUBJECT

Contract with LevelUp HR, Inc. for Employer of Record Services

RECOMMENDATION(S)

1. Approve **Contract No. 24-876** with LevelUp HR, Inc. to provide employer of record services, in an amount not to exceed \$1,026,000, for a contract period of September 11, 2024, through July 30, 2027, with the option of two one-year extensions.
2. Approve the template Worksite Agreement for utilization between San Bernardino County, through its Workforce Development Department, and employers in the County, to facilitate the placement of participants in work experience sites, for the period of September 11, 2024, through June 30, 2029.
3. Authorize the Director or the Assistant Director of the Workforce Development Department to execute the template Worksite Agreement with employers in the County, including any non-substantive changes, subject to review by County Counsel.

(Presenter: Bradley Gates, Director, 387-9856)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Promote the Countywide Vision.

Create, Maintain and Grow Jobs and Economic Value in the County.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Contract expenditures will not exceed \$1,026,000 and will be funded through the Workforce Innovation and Opportunity Act Title I allocations and the Regional Recovery and Recovery Partnerships grant for the period of September 11, 2024, through June 30, 2027. Adequate appropriation and revenue are included in the Workforce Development Department's (WDD) 2024-25 budget and will be included in future recommended budgets. The budget breakdown per fiscal year, based upon funding availability is \$450,000 for 2024-25, \$326,000 for 2025-26, and \$250,000 for 2026-27.

BACKGROUND INFORMATION

LevelUp HR, Inc. (LevelUp) is a registered Professional Employer Organization (PEO) that has been delivering staffing and payroll services across the United States since 1994. LevelUp serves nearly 100 clients as a PEO operating in multiple states.

WDD will refer participants to LevelUp for employer of record services to support workforce development efforts in delivering paid work experiences for adult and young adult job seekers

**Contract with LevelUp HR, Inc. for Employer of Record Services
September 10, 2024**

who may be as young as 16 years old. These programs are designed to place participants that have zero to minimal work experience with employers to develop and improve workplace skills. WDD programs provide funding to cover the hourly wage of the participants. Participants are considered temporary, non-exempt hourly employees. The length of each work experience assignment will vary dependent upon program guidelines.

It is anticipated that LevelUp will serve up to 250 participants as the employer of record. The participants will complete anywhere from 120 to 360 hours of paid work experience. As the employer of record, LevelUp will provide the following services:

Deliverable	Description
On-Boarding Assistance	Virtual and onsite orientation sessions. Single point of contact for new hire paperwork. Streamlined and electronic tools to assist with hiring. Maintain personnel records.
Employee Relations Issues	Respond to all day-to-day employee relations issues and employee/supervisor inquiries regarding policies and procedures. Provide coaching, guidance, and legal assistance with employee relations issues with supervisors/manager(s), WDD, and legal staff. Initiate communication with employee to address and resolve issue.
Payroll Services	Manage and maintain the Human Resource Information System and processing of new hires, salary increases, promotions, transfers and terminations for the program. On-line timekeeping training for students, supervisors, and contract manager(s). Tax documentation and information. Process payroll that pays at minimum bi-weekly.
Leave Management	Single point of contact for administrative and medical leaves of absence. Generate paperwork, track time out of the office, and facilitate/manage communication between the employee and supervisor. Liaison between individual and Employment Development Department (EDD) for State Disability Insurance and Paid Family Leave insurance/payments.
Workers' Compensation Claims	Single point of contact for workers' compensation claims. Generate paperwork, track time out of the office, and facilitate communication between the employee and supervisor. Liaison between employee and insurance carrier for workers' compensation insurance/payments.
Unemployment	Work experience is subsidized and generally does not result in Unemployment Insurance benefits. However, if applicable, a single point of contact for unemployment claims, generate paperwork, and serve as the liaison between employee and EDD for unemployment payments.
Background Checks	Conduct background checks when requested by worksite or WDD.

The approval of the template Worksite Agreement will allow WDD to develop work experience sites. Use of the template will allow for a more efficient process that will strengthen collaborative efforts in and across the County.

PROCUREMENT

On February 9, 2024, WDD issued Request for Proposal (RFP) No. EDA124-WDD-5277, soliciting qualified entities to provide Employer of Record Services from July 1, 2024 through June 30, 2027, with the option to renew up to two one-year terms. The RFP was posted on the

**Contract with LevelUp HR, Inc. for Employer of Record Services
September 10, 2024**

County Electronic Purchasing Network (ePro) website.

On March 22, 2024, two proposals were received, and both were determined to be responsive to the RFP minimum criteria. The proposals were evaluated by a committee of qualified neutral parties with a variety of workforce development experience and knowledge. The proposals were then scored in accordance with the proposal review and evaluation process outlined in the RFP.

The Evaluation Committee scored the proposals based on the applicant's capacity to perform the scope of work as it related to their qualifications and experience, references, and cost reasonableness. Based on the points awarded to both proposals, LevelUp received the higher of the two scores from the proposals received and has been selected to perform the solicited services. LevelUp charges a markup rate of 26% in addition to worker's compensation costs per participant which will be assessed based on the risk of the work experience position.

On May 8, 2024, the Workforce Development Board voted to recommend the Board of Supervisors award LevelUp a Contract to provide employer of record services.

No timely disputes were received in relation to this procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie A. Curtis, Deputy County Counsel, 387-5455) on June 25, 2024; Purchasing (Ariel Gill, Supervising Buyer, 387-2070) on August 1, 2024; Finance (Carl Lofton, Administrative Analyst, 387-5404) on August 20, 2024; County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on August 23, 2024.

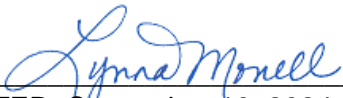
**Contract with LevelUp HR, Inc. for Employer of Record Services
September 10, 2024**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: September 10, 2024



cc: WDD - Gates w/agree
Contractor - c/o WDD w/agree
File – WDD w/attach
File - w/agree
MBA 09/13/2024