

Focused Management Solutions P. O. Box 13534 Gainesville, FL 32601 Tel: 352.872-5901 Fax: 352.872-5908 www.finsworks.com

November 21, 2019

## VIA HAND DELIVERY

Jeffrey Tate
Board Chair
Alachua Bradford Local Workforce
Development Board d/b/a
CareerSource North Central Florida
10 NW 6th Street
Gainesville, FL 32601

Executive Director Frank Avery
Executive Director
Alachua Bradford Local Workforce
Development Board d/b/a
CareerSource North Central Florida
2153 Hawthorne Road, Suite 201
Gainesville, FL 32641

Re: Contract for Subrecipient Administrative Entity Services (Contract No. 07-01-16/17) Contract for Vendor Administrative Entity Services (Contract No. 07-02-16/17)

Dear Mr. Tate and Mr. Avery:

On behalf of Florida Management Solutions, Inc., d/b/a Focused Management Solutions (FMS), and in light of recent actions taken by the Florida Department of Economic Opportunity (DEO), we regrettably have no choice but to send this notice under both our Contract for Subrecipient Administrative Entity Services (Contract No. 07-01-16/17), and our Contract for Vendor Administrative Entity Services (Contract No. 07-02-16/17), due to non-payment. In order for FMS to effectively continue services, full payment of outstanding invoices must be paid, under the terms of our existing vendor and subrecipient contracts. Failure to do so on or before December 6, 2019, may result in FMS being forced to enforce its termination rights under Section 5.2.3 of each contract, among other provisions, and cease operations as of that date.

As you know, by a letter dated September 27, 2019, DEO announced that it was changing the long-standing process under which state funding has been provided to CareerSource North Central Florida ("the Board"). This abrupt change has effectively left the Board without the working capital to pay its service providers under their contracts. FMS currently has outstanding invoices totaling \$399,652.55 (which includes youth and DWG participant payroll reimbursements) under our vendor contract and \$25,652.93 under our subrecipient contract.

Despite the lack of funding, FMS has continued to provide all the services required under our contracts with the same high level of service as we have in the past. Moreover, over its 14 years in support of the Board, FMS has consistently performed its services in good faith and in accordance with the contractual and funding models established by the Board 23 years ago and overseen by multiple state administrations.

<sup>1</sup> While FMS was acquired by Public Consulting Group, Inc., the contracts remain in the name of FMS.

This positive, productive relationship has been resolutely focused on providing excellent service to develop and sustain a qualified and effective regional workforce. We are proud of the work we have accomplished together, and most importantly, of the positive impact we have had on the lives, careers, and economic well-being of thousands of Floridians in Alachua and Bradford Counties. Our successes include the following:

- Obtaining U.S. Department of Labor grants of over \$32 million for the region;
- Implementing innovative employment and entrepreneurship programs that have produced an estimated economic impact of hundreds of millions of dollars over the next 20 years;
- Receiving an Excellence Award from the U.S. Chamber of Commerce; and
- Supporting the Board and career service providers in serving 3,000 residents monthly.

We deeply regret the circumstances that have forced us to issue this notice. We want to stress that we are eager to engage with you in resolving the funding issue so that we can revoke this notice and continue to deliver all contracted services for years to come. We trust the Board will understand that this is simply a necessary business decision: FMS cannot continue to provide administrative entity services under either of its vendor or subrecipient contracts without being compensated and without assurance of future payments.

We are hopeful that further communications with DEO will resolve any concerns and that the Board's successful funding model will be restored. To be clear, FMS will continue to wholeheartedly support the Board. But in the unfortunate event that the difficult situation the Board now finds itself in cannot be remedied, FMS would be forced to consider termination of the contracts.

We look forward to your response and are available at your convenience for further discussion.

Respectfully,

Brian Howells

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cc: Phil C. Beverly, Jr., Board Counsel, 408 W. University Avenue, Suite 500, Gainesville, FL 32601 (pcbjr@pcbjr.net)