



March 15, 2021

Humboldt County Administrative Office – Economic Development Division
Attention: Elishia Hayes, Assistant County Administrative Officer
Attention: Scott Adair, Economic Development Director and Executive Director of the Workforce Board
520 E Street
Eureka, CA 95501

Dear Humboldt County Administrative Office:

After careful consideration, the Smart Business Resource Center regrets to inform you of our intent to terminate all contracts with County of Humboldt.

Ongoing issues with the County's inadequate performance of certain provisions of the contracts, including Smart's inability to receive contracts and payments timely, as well as ongoing additional administrative burden passed onto the Smart Business Resource Center by the Humboldt Workforce Development Board and County of Humboldt through many Humboldt Workforce Staff transitions, has created an environment that has precluded us from being able to focus on the quality workforce programming that we have been able to provide to other Northstate counties for more than 40 years. Despite multiple communications and meetings between Smart and Humboldt County administration over the past two years designed to resolve these issues, the issues have not been rectified and, in some cases, continue to escalate.

Current services scheduled for discontinuation include:

- Adult and Dislocated Worker Career Services
- Title I Youth Formula Funds for the Eureka and Eel River Valley regions
- Rapid Response and Layoff Aversion Services
- National Dislocated Worker Services for 2018 National Health Emergency Phase II Opioid Crisis
- National Dislocated Worker Services for COVID-19 Disaster Recovery
- America's Job Center of California Operator
- The Job Market website hosting and management
- The Job Market social media administration

Smart Business Resource Center will continue to serve the counties of Del Norte, Shasta, Siskiyou, and Trinity in partnership with the NoRTEC Workforce Development Board. We remain committed to workforce initiatives now and in the future with partners in Humboldt County, as our serving counties are contiguous and many of our workforce partners serve throughout this region.

In addition, Smart will continue to serve the Humboldt County community through our partnership with North Central Counties Consortium Workforce Development Board and the SB-1 grant for pre-apprenticeship in the construction trades. The grant period is January 1, 2021 – July 30, 2022 and we intend to retain our contract to serve Humboldt County through this program for the duration.

Del Norte County 707.464.8347 875 5th Street Crescent City, CA 95531	Humboldt County 707.382.3411 409 K Street Eureka, CA 95501	Shasta County 530.246.7911 1201 Placer Street Redding, CA 96001	Siskiyou County 530.246.7911 582 Main Street Weed, CA 96094	Trinity County 530.623.5538 790 Main Street #618 Weaverville, CA 96093
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Contract information relative to this termination of services notice includes:

- Workforce Innovation and Opportunity Act Adult and Dislocated Worker Career Services, contract dates July 1, 2018 – June 30, 2022
 - Contract termination references:
 - Section 5: Payment
 - Exhibit C, Schedule of Rates, Section 3: Payment
 - Second Amendment 1.5.b: Advance Payments
- National Dislocated Worker Services for 2018 National Health Emergency Phase II Opioid Crisis contract dates July 1, 2019 – September 30, 2020, First Amendment to extend term to March 31, 2022
 - Contract termination references:
 - Section 5: Payment
 - Exhibit C, Schedule of Rates, Section 3: Payment
 - First Amendment 1.5.b: Advance Payments
- Workforce Innovation and Opportunity Act Title I Youth Formula Funds for the Eureka and Eel River Valley regions, contract dates July 1, 2020 – June 30, 2021
 - Contract termination references:
 - Section 3B: Termination Without Cause
 - Section 5: Payment
 - Exhibit B, Schedule of Rates, Section 3: Payment
 - First Amendment 1.5.b: Advance Payments
- National Dislocated Worker Services for COVID-19 Disaster Recovery contract dates July 1, 2020 – March 30, 2022
 - Contract termination references:
 - Section 3B: Termination Without Cause
 - Section 5: Payment
 - First Amendment 1.5.b: Advance Payments
- Workforce Innovation and Opportunity Act Rapid Response and Layoff Aversion Services, contract dates July 1, 2020 – June 30, 2023
 - Contract termination references:
 - Section 3B: Termination Without Cause
 - Section 5: Payment
 - First Amendment 1.5.b: Advance Payments

We are committed to making this transition as seamless as possible. We intend to provide services through June 30, 2021, contingent upon receiving full payment for all currently outstanding invoices no later than March 22, 2021 AND receiving weekly payments for services rendered thereafter. The first weekly payment should be received by Smart by March 26, 2021 and weekly payments should continue to be made no later than Friday of each week thereafter until all contracts are terminated and all amounts owing at that time are paid. If the County cannot accommodate this contingency, Smart will cease all services on March 26, 2021 or on the Friday following any missed weekly payment thereafter.

We are proud to have served the citizens and businesses of Humboldt County these past three years, and to have achieved the honored distinction of 2020 IEDC Excellence in Economic Development Award, on behalf of County of Humboldt, for our work on the Opioid grant. We look forward to discussing next steps to ensure continuity of Humboldt County's workforce development efforts during this time.

Sincerely,



Wendy Zanotelli
CEO
Smart Business Resource Center



Sherrie Curry
Chairman of the Board
Smart Business Resource Center

CC: Humboldt County Workforce Development Board Executive Committee