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FIRST AMENDMENT TO AGREEMENT
BETWEEN
COUNTY OF ORANGE
AND
ARBOR E & T, LLC DBA RESCARE WORKFORCE SERVICES
FOR THE PROVISION OF EMPLOYMENT SERVICES

THIS FIRST AMENDMENT, made and entered into upon execution of all necessary signatures, is to that certain AGREEMENT Number WGV0915 between the parties hereto, hereinafter referred to as the “Agreement” and is by and between the COUNTY OF ORANGE, hereinafter referred to as “COUNTY,” and ARBOR E & T, LLC DBA EQUUS WORKFORCE SOLUTIONS, formally ARBOR E & T, LLC DBA RESCARE WORKFORCE SERVICES, a Kentucky corporation, qualified to transact interstate business in the State of California, hereinafter referred to as “CONTRACTOR.” This Amendment shall be administered by the County of Orange Social Services Agency, hereinafter referred to as “ADMINISTRATOR.”

WITNESSETH:

WHEREAS, on July 1, 2016, COUNTY and CONTRACTOR entered into an Agreement for the provision of Employment Services for the period of July 1, 2016, through June 30, 2021;

WHEREAS, COUNTY desires to extend the Agreement for an additional 12-months from July 1, 2021 through June 30, 2022;

WHEREAS, COUNTY desires to amend CONTRACTOR’s name throughout the Agreement and Exhibits A through D;

WHEREAS, COUNTY desires to amend Paragraph 1, Subparagraph 11.1, Subparagraph 21.1, Subparagraph 21.2, and Subparagraph 21.4.6.3 of the Agreement;

WHEREAS, COUNTY desires to add Paragraph 47 to the Agreement;

WHEREAS, COUNTY desires to amend Subparagraph 1.4 of Exhibit A of the Agreement;

1 WHEREAS, COUNTY desires to amend Subparagraph 1.2.2 of Exhibit C of the
2 Agreement;

3 WHEREAS, COUNTY desires to amend the annual budget, contract maximum obligation,
4 and footnote (7) of Paragraph 18 of Exhibit D of the Agreement;

5 WHEREAS, CONTRACTOR agrees to such amendments and to continue to provide such
6 services under the terms and conditions set forth in this Agreement; and

7 WHEREAS, such services are authorized and provided for pursuant to California Welfare
8 and Institutions Code Section 11200 et seq., also known as the California Work Opportunity and
9 Responsibility to Kids (CalWORKs) Act of 1997 and Senate Bill (SB) 855 (Chapter 29, Statutes
10 of 2014).

11 ACCORDINGLY, THE PARTIES AGREED AS FOLLOWS:

12 1. "RESCARE WORKFORCE SERVICES" is hereby amended to read as "EQUUS
13 WORKFORCE SOLUTIONS" throughout the Agreement and incorporated Exhibits A through
14 D.

15 2. Paragraph 1 of the Agreement is hereby amended to read as follows:

16 "1. TERM

17 The term of this Agreement shall commence on July 1, 2016, and terminate on June 30,
18 2022, unless earlier terminated pursuant to the provisions of Paragraph 44 of this Agreement;
19 however, CONTRACTOR shall be obligated to perform such duties as would normally extend
20 beyond this term, including, but not limited to, obligations with respect to indemnification, audits,
21 reporting, and accounting."

22 3. Subparagraph 11.1 of the Agreement is hereby amended to read as follows:

23 "11.1 All notices, claims, correspondence, reports, and/or statements authorized or required by
24 this Agreement shall be addressed as follows:

25
26 COUNTY: County of Orange Social Services Agency
Contract Services
27 500 N. State College Blvd. STE 100
Orange, CA 92868

28 CONTRACTOR: Arbor E & T, LLC

1 805 N. Whittington Parkway
2 Louisville, KY 40222
3 Attn: General Counsel

4 With copy to:

5 Equus Workforce Solutions DBA Arbor E&T, LLC
6 805 N. Whittington Parkway
7 Louisville, KY 40222
8 Attn: General Counsel

9 And

10 Arbor E & T, LLC
11 100 S. Anaheim Blvd., Suite 220
12 Anaheim, CA 92805”

13 4. Subparagraphs 21.1, 21.2, and 21.4.6.3 of the Agreement is hereby amended to read as follows:

14 “21.1 Maximum Contractual Obligation:

15 The maximum obligation of COUNTY under this Agreement shall not exceed the
16 amount of \$65,501,678: the amount of \$10,105,415 for July 1, 2016 through June 30, 2017; the
17 amount of \$10,245,415 for July 1, 2017 through June 30, 2018; the amount of \$11,286,712 for
18 July 1, 2018 through June 30, 2019; the amount of \$11,286,712 for July 1, 2019 through June 30,
19 2020; the amount of \$11,286,712 for July 1, 2020 through June 30, 2021; and the amount of
20 \$11,286,712 for July 1, 2021 through June 30, 2022, or actual allowable costs, whichever is less.

21 21.2 Allowable Costs:

22 During the term of this Agreement, COUNTY shall pay CONTRACTOR monthly in
23 arrears, for actual allowable costs incurred and paid by CONTRACTOR pursuant to this
24 Agreement. Allowable costs shall be determined pursuant to Subpart 31.2 of Title 48 of the Code
25 of Federal Regulations, commencing with Section 31.201, or as approved by ADMINISTRATOR.
26 However, COUNTY, in its sole discretion, may pay CONTRACTOR for anticipated allowable
27 costs that will be incurred by CONTRACTOR for the months of June in 2017, 2018, 2019, 2020,
28 2021, and 2022 during the months of such anticipated expenditure.”

21.4.6.3 “The amount of the performance incentive for any quarter shall be calculated by
taking the applicable percentage from Table 1 below of one quarter (1/4) of the total annual budget

1 for salaries and employee benefits, services, and operating expenses as specified in Paragraph 18
 2 of Exhibit D to this Agreement for each quarter CONTRACTOR achieves the Placement Rate
 3 Benchmarks for Job Services Participants placed in Unsubsidized Employment as identified in
 4 Table 1 below; and the applicable percentage from Table 2 below of one quarter (1/4) of the total
 5 annual budget for salaries and employee benefits, services, and operating expenses as specified in
 6 Paragraph 18 of Exhibit D to this Agreement for each quarter CONTRACTOR achieves the
 7 Placement Rate Benchmarks for Subsidized Employment Participants placed in Subsidized
 8 Employment as identified in Table 2 below.

Table 1

Job Services Placement Rate Benchmarks		
Performance Incentive Payment Rate	July 1, 2016 through June 30, 2018	July 1, 2018 through June 30, 2022
0.5%	50%	55%
0.5%	55%	60%

Table 2

Subsidized Employment Placement Rate Benchmarks		
Performance Incentive Payment Rate	July 1, 2016 through June 30, 2018	July 1, 2018 through June 30, 2022
0.5%	60%	65%
0.5%	65%	70%”

21 5. Add Paragraph 47 to the Agreement:

22 “47. SERVICES DURING EMERGENCY AND/OR DISASTER

23 47.1 CONTRACTOR acknowledges that service usage may surge during or after an
 24 emergency or disaster. For purposes of this Agreement, an emergency is defined as a sudden,
 25 urgent, usually unexpected occurrence or event requiring immediate action to protect the health
 26 and well-being of COUNTY residents. A disaster is defined as an occurrence that has resulted in
 27 property damage, deaths, and/or injuries to a community. Emergencies and/or disasters as
 28 described above may require resources or support beyond the local government’s capability and

1 will typically involve a proclamation of a local emergency by the local governing body (e.g., city
2 council, county board of supervisors, or state) and may be declared at the federal level by the
3 President of the United States.

4 47.2 CONTRACTOR agrees to collaborate with COUNTY, on an urgent basis, to adjust
5 service delivery in a manner that assists COUNTY in meeting the needs of clients COUNTY
6 identifies as being impacted by emergencies and/or disasters. Time limited adjustments may
7 include, but are not limited to: providing services at different location(s), assigning staff to work
8 days or hours beyond typical work schedules or that may exceed contracted Full Time Equivalents
9 (FTEs), reassigning staff to an assignment in which their experience or skill is needed, and
10 prioritizing services for staff as requested by COUNTY. Additionally, any costs to continue
11 services to clients during an emergency and/or disaster shall be incurred by the Contractor. These
12 costs may include, but are not limited to: Personal Protective Equipment or other supplies
13 necessary to conduct business during an emergency and/or disaster.

14 47.3 CONTRACTOR shall service COUNTY during emergencies and/or declared
15 disaster under the same terms and conditions that apply during non-emergency/disaster conditions.
16 With the exception of overtime hours which require pre-authorization, reimbursement of ordinary
17 expenditures provided during or after an emergency/disaster shall be calculated by the same rates
18 that apply during non-emergency/disaster conditions. Additional profit margin as a result of
19 providing services during an emergency or disaster shall not be permitted.”

20 5. Subparagraph 1.4 of Exhibit A is hereby amended to read as follows:

21 “1.4 CONTRACTOR shall meet each of the following goals for Job Services;

22 For the period of July 1, 2016 through June 30, 2018:

23 1.4.1 Completion Rate: a minimum of seventy percent (70%) of Participants referred to
24 CONTRACTOR shall fully complete Job Services as directed by WTW Staff;

25 1.4.2 Placement Rate: a minimum of fifty percent (50%) of Job Services Participants
26 referred to CONTRACTOR shall be placed in employment; and

27 1.4.3 Average Starting Wage: a minimum of twenty percent (20%) above the California
28 minimum wage for Job Services Placements.

1 For the period of July 1, 2018 through June 30, 2022:

2 1.4.4 Completion Rate: a minimum of seventy-five percent (75%) of Participants
3 referred to CONTRACTOR shall fully complete Job Services as directed by WTW Staff;

4 1.4.5 Placement Rate: a minimum of fifty-five percent (55%) of Job Services
5 Participants referred to CONTRACTOR shall be placed in employment; and

6 1.4.6 Average Starting Wage: a minimum of twenty-five percent (25%) above the
7 California minimum wage for Job Services Placements.”

8 6. Subparagraph 1.2.2 of Exhibit C is hereby amended to read as follows:

9 “1.2.2 For the period of July 1, 2018 through June 30, 2022, sixty-five percent (65%) of
10 Participants referred shall be placed into subsidized employment.”

11 7. Subparagraph 16.2.1 of Exhibit D is hereby amended as follows:

12 “16.2.1 CONTRACTOR shall enter into a rent-free lease or license agreement when
13 collocating at a site provided by ADMINISTRATOR, as referenced in Subparagraph 9.2 of this
14 Agreement. CONTRACTOR shall cooperate with all conditions of said agreement.
15 CONTRACTOR shall collocate at the following facilities provided by ADMINISTRATOR:

16 6100 Chip Ave., Cypress, CA 90630

17 1928 S. Grand Ave., Santa Ana, CA 92705

18 23340 Moulton Parkway, Laguna Hills, CA 92653

19 3320 E. La Palma, Anaheim, CA 92806

20 8. The annual budget, contract maximum obligation and footnote (7) of Paragraph 18 of Exhibit
21 D is hereby amended to read as follows:

22 “18. BUDGET

23 The annual budget for Job Services and Employment Support Services pursuant to this
24 Agreement is set forth as follows:

25 Annual Budget period for July 1, 2016 – June 30, 2022

26 Salaries and Benefits: Max Hourly FTE⁽²⁾ Annual Budget

27 Rate⁽¹⁾

28 Direct Services Positions⁽³⁾

1	Supervisors	26.28	8.00	408,678
2	Talent Development Specialists	22.01	47.00	1,837,814
3				
4	Lead Talent Development Specialists	22.85	9.00	411,287
5	Business Solutions Consultants	22.01	4.00	174,388
6	Administrative Assistants	16.35	6.00	<u>205,000</u>
7	Subtotal Salaries ⁽⁴⁾⁽⁵⁾⁽⁶⁾			<u>3,037,167</u>
8	Benefits ⁽⁷⁾ (26%)			<u>\$603,533</u>
9	Subtotal Direct Service Positions and			\$3,640,700
10	Benefits			
11	<u>Administrative Positions⁽⁸⁾</u>			
12	Program Director	50.49	1.00	90,000
13	Project Manager	38.46	1.00	80,000
14	Human Resources Manager	34.31	1.00	71,365
15	Training Manager	34.31	1.00	71,365
16	Program Manager	34.31	1.00	71,365
17	Subcontract Manager	34.31	1.00	71,365
18	Quality Control Manager	34.31	1.00	71,365
19	Supervisors	26.28	2.00	102,170
20	Project Accountant	35.10	1.00	73,008
21	Account Specialists	22.18	4.00	173,722
22	Subtotal Salaries ⁽⁴⁾⁽⁵⁾⁽⁶⁾			\$875,725
23	Benefits ⁽⁷⁾ (25%)			<u>\$165,814</u>
24	Subtotal Administrative Salaries and			\$1,041,539
25	Benefits			
26	Total Salaries and Benefits			\$4,682,239
27	<u>Services</u>			
28	Basic Needs			68,200

1	Professional Clothing	322,000
2	Domestic Abuse Services	477,079
3	Housing	1,150,000
4	Transportation	114,079
5	Purchase of Services	22,500
6	Subsidized Employment Salary ⁽⁹⁾	<u>1,684,120</u>
7	Total Services	\$3,837,978
8	<u>Operating Expenses</u>	
9	Office Expense	92,113
10	Program Expense	84,000
11	Telephone (Communication Costs)	72,600
12	Mileage ⁽¹⁰⁾	26,800
13	Staff Development	9,100
14	Travel (Transportation/Lodging) ⁽¹¹⁾	1,800
15	Advertising/Promotions/Printing	25,560
16	Facility Lease/Rental	550,000
17	Equipment Lease/Rental	22,000
18	Maintenance	8,700
19	Insurance	56,697
20	Independent Audit	40,000
21	Miscellaneous ⁽¹²⁾	<u>620</u>
22	Total Operating Expenses	\$989,990
23	Indirect Costs ⁽¹³⁾	\$920,589
24	Profit	665,712
25	Performance Incentives	<u>\$190,204</u>
26	ANNUAL MAXIMUM OBLIGATION	\$11,286,712
27		
28		

CONTRACT MAXIMUM OBLIGATION**TOTAL JULY 1, 2016 THROUGH JUNE 30, 2022**

\$65,501,678

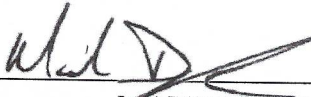
(7) Employee Benefits include contributions to 401k or retirement plans; health insurance; dental insurance; life insurance; long-term disability insurance; payroll taxes such as FICA, Federal Unemployment Tax, State Unemployment Tax, and Worker’s Compensation Tax, based on the currently prevailing rates; vacation accrual limited to the amount of vacation time earned during the fiscal year in which such expense is claimed; and mark-up costs for any employees employed through staffing agencies. The overall benefit rate shall not exceed 26% of actual allowable costs of direct service salaries and 25% of actual allowable costs of administrative salaries.

9. The parties agree that separate copies of this Amendment may be signed by each of the parties, and this Amendment will have the same force and effect as if the original had been signed by all parties.

10. All other terms and conditions of the Agreement shall remain the same and in full force and effect.

*///**///**///**///**///**///**///**///**///**///**///**///**///**///*

1 WHEREFORE, the parties hereto have executed this First Amendment to Agreement dated
2 May 24, 2016, in the County of Orange, California.

3
4
5 By: 
6 MARK DOUGLASS
7 MANAGER AND PRESIDENT
8 ARBOR E & T, LLC
9 DBA EQUUS WORKFORCE SOLUTIONS

By: _____
CHAIRWOMAN
OF THE BOARD OF SUPERVISORS
COUNTY OF ORANGE, CALIFORNIA

Dated: 11/17/2020

Dated: _____

10
11 SIGNED AND CERTIFIED THAT A COPY OF
12 THIS DOCUMENT HAS BEEN DELIVERED TO
13 THE CHAIRMAN OF THE BOARD
14 ATTEST:

15
16 _____
17 ROBIN STIELER
18 Clerk of the Board
19 Orange County, California

20 APPROVED AS TO FORM
21 COUNTY COUNSEL
22 COUNTY OF ORANGE, CALIFORNIA

23 By: 
24 DEPUTY

Dated: 11/17/20