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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 ~~2021~~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

~~9901 Linn Station Road~~ 805 N. Whittington Parkway
Louisville, KY 402232
Attn: ~~Executive Vice President~~ General Counsel

With copy to:

~~ResCare, Inc.~~ Equus Workforce Solutions DBA Arbor E&T, LLC
~~9901 Linn Station Road~~ 805 N. Whittington Parkway
Louisville, KY 402232
Attn: General Counsel

And

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

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

“21.1 Maximum Contractual Obligation:

The maximum obligation of COUNTY under this Agreement shall not exceed the amount of ~~\$56,433,560~~ 65,501,678: the amount of ~~\$11,286,712~~ 10,105,415 for July 1, 2016 through June 30, 2017; the amount of ~~\$11,286,712~~ 10,245,415 for July 1, 2017 through June 30, 2018; the amount of \$11,286,712 for July 1, 2018 through June 30, 2019; the amount of \$11,286,712 for July 1, 2019 through June 30, 2020; and the amount of \$11,286,712 for July 1, 2020 through June 30, 2021; and the amount of \$11,286,712 for July 1, 2021 through June 30, 2022, or actual allowable costs, whichever is less.

21.2 Allowable Costs:

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

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

Table 1

Job Services Placement Rate Benchmarks		
Performance Incentive	July 1, 2016 through June	July 1, 2018 through June
Payment Rate	30, 2018	30, 2021 2022
0.5%	50%	55%
0.5%	55%	60%

Table 2

Subsidized Employment Placement Rate Benchmarks		
Performance Incentive	July 1, 2016 through June	July 1, 2018 through June
Payment Rate	30, 2018	30, 2021 2022
0.5%	60%	65%
0.5%	65%	70%”

22 5. Add Paragraph 47 to the Agreement:

23 “47. SERVICES DURING EMERGENCY AND/OR DISASTER

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

1 described above may require resources or support beyond the local government’s capability and
2 will typically involve a proclamation of a local emergency by the local governing body (e.g., city
3 council, county board of supervisors, or state) and may be declared at the federal level by the
4 President of the United States.

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

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

21 Subparagraph 1.4 of Exhibit A is hereby amended to read as follows:

22 “1.4 CONTRACTOR shall meet each of the following goals for Job Services;

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

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

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

28 1.4.3 Average Starting Wage: a minimum of twenty percent (20%) above the California

1 minimum wage for Job Services Placements.

2 For the period of July 1, 2018 through June 30, ~~2021~~2022:

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

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

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

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

10 “1.2.2 For the period of July 1, 2018 through June 30, ~~2021~~2022, sixty-five percent (65%) of
11 Participants referred shall be placed into subsidized employment.”

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

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

17 6100 Chip Ave., Cypress, CA 90630

18 1928 S. Grand Ave., Santa Ana, CA 92705

19 23340 Moulton Parkway, Laguna Hills, CA 92653

20 3320 E. La Palma, Anaheim, CA 92806

21 ~~1240 State College Blvd., Anaheim, CA 92806~~

22 ~~1000 E. Santa Ana Blvd., Ste. 300, Santa Ana, CA 92701~~

23 ~~16.2.2 ADMINISTRATOR may add, change, modify, or delete locations, as necessary,~~
24 ~~to best serve the needs of ADMINISTRATOR and Participants.”~~

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

27 “18. BUDGET

28 The annual budget for Job Services and Employment Support Services pursuant to this

1 Agreement is set forth as follows:

2 Annual Budget period for July 1, 2016 – June 30, ~~2021~~2022

3	<u>Salaries and Benefits:</u>	<u>Max Hourly</u>	<u>FTE⁽²⁾</u>	<u>Annual Budget</u>
4		<u>Rate⁽¹⁾</u>		
5	<u>Direct Services Positions⁽³⁾</u>			
6	Supervisors	26.28	8.00	408,678
7	Talent Development Specialists	22.01	47.00	1,837,814
8				
9	Lead Talent Development Specialists	22.85	9.00	390,118 411,287
10	Business Solutions Consultants	22.01	4.00	174,388
11	Administrative Assistants	16.35	6.00	198,806 205,000
12	Subtotal Salaries ⁽⁴⁾⁽⁵⁾⁽⁶⁾			3,009,804 3,037,167
13	Benefits ⁽⁷⁾ (20.66 26%)			\$611,443 603,533
14	Subtotal Direct Service Positions and			\$3,621,247
15	Benefits			<u>3,640,700</u>
16	<u>Administrative Positions⁽⁸⁾</u>			
17	Program Director	50.49	1.00	90,000
18	Project Manager	38.46	1.00	80,000
19	Human Resources Manager	34.31	1.00	71,365
20	Training Manager	34.31	1.00	71,365
21	Program Manager	34.31	1.00	71,365
22	Subcontract Manager	34.31	1.00	71,365
23	Quality Control Manager	34.31	1.00	71,365
24	Supervisors	26.28	2.00	102,170
25	Project Accountant	35.10	1.00	73,008
26	Account Specialists	22.18	4.00	173,722
27	Subtotal Salaries ⁽⁴⁾⁽⁵⁾⁽⁶⁾			\$875,725
28	Benefits ⁽⁷⁾ (20.38 25%)			\$177,904 165,814

1	Subtotal Administrative Salaries and	\$ 1,053,629 <u>1,041,539</u>
2	Benefits	
3	Total Salaries and Benefits	\$ 4,674,876 <u>4,682,239</u>
4	<u>Services</u>	
5	Basic Needs	42,000 <u>68,200</u>
6	Professional Clothing	288,000 <u>322,000</u>
7	Domestic Abuse Services	477,079 <u>477,079</u>
8	Housing	735,265 <u>1,150,000</u>
9	Transportation	300,000 <u>114,079</u>
10	Purchase of Services	22,500 <u>22,500</u>
11	Subsidized Employment Salary ⁽⁹⁾	1,853,699 <u>1,684,120</u>
12	Total Services	\$ 3,718,543 <u>3,837,978</u>
13	<u>Operating Expenses</u>	
14	Office Expense	88,232 <u>92,113</u>
15	Program Expense	69,000 <u>84,000</u>
16	Telephone (Communication Costs)	62,700 <u>72,600</u>
17	Mileage ⁽¹⁰⁾	46,000 <u>26,800</u>
18	Staff Development	6,000 <u>9,100</u>
19	Travel (Transportation/Lodging) ⁽¹¹⁾	2,300 <u>1,800</u>
20	Advertising/Promotions/Printing	20,560 <u>25,560</u>
21	Facility Lease/Rental	681,077 <u>550,000</u>
22	Equipment Lease/Rental	46,029 <u>22,000</u>
23	Maintenance	19,800 <u>8,700</u>
24	Insurance	50,897 <u>56,697</u>
25	Independent Audit	23,573 <u>40,000</u>
26	Miscellaneous ⁽¹²⁾	<u>620</u>
27	Total Operating Expenses	\$ 1,116,788 <u>989,990</u>
28	Indirect Costs ⁽¹³⁾	\$920,589

1	Profit	665,712
2	Performance Incentives	<u>\$190,204</u>
3	ANNUAL MAXIMUM OBLIGATION	\$11,286,712
4	CONTRACT MAXIMUM OBLIGATION	
5	TOTAL JULY 1, 2016 THROUGH JUNE 30, 2021<u>2022</u>	\$56,433,560
6		<u>65,501,678</u>

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8 (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 ~~20.66~~26% of actual allowable costs of direct service salaries and ~~20.38~~25% of actual allowable costs of administrative salaries.

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13 9. The parties agree that separate copies of this Amendment may be signed by each of the parties,

14 and this Amendment will have the same force and effect as if the original had been signed by all

15 parties.

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

17 effect.

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

By: _____
MARK DOUGLASS
MANAGER AND PRESIDENT
ARBOR E & T, LLC
DBA EQUUS WORKFORCE SOLUTIONS

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

Dated: _____

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD
ATTEST:

ROBIN STIELER
Clerk of the Board
Orange County, California

APPROVED AS TO FORM
COUNTY COUNSEL
COUNTY OF ORANGE, CALIFORNIA

By: _____
DEPUTY

Dated: _____