

THIS RENEWAL AND MODIFICATION AGREEMENT ("Renewal and Modification Agreement"), dated as of this 4th day of March, 2008, between the City of New York ("City"), acting through the Department of Social Services of the Human Resources Administration ("HRA" or "Department"), with offices at 180 Water Street, New York, New York 10038, and Arbor Education and Training, L.L.C. ("Arbor E & T" or "Contractor"), with offices at 1400 N. Providence Road, Media, Pennsylvania, 19063 (the "parties").

WITNESSETH:

WHEREAS, the Department, as the local social services district ("District"), administers a variety of public assistance programs of services in New York City, including Temporary Assistance for Needy Families ("TANF"); and

WHEREAS, the applicable Federal and New York State laws and regulations impose time limits on cash assistance and require that recipients participate in transitional work activities; and

WHEREAS, many potentially self-sufficient public assistance recipients face multiple barriers to employment and self-sufficiency, including those imposed by physical and mental health problems; and

WHEREAS, the Department's Wellness, Comprehensive Assessment, Rehabilitation and Employment Program ("WeCARE") is designed to assist individuals ("Participants") with conditions that significantly reduce their functional capacity in attaining maximum levels of function and self-sufficiency, through assessment, diagnosis, treatment linkages, case planning, case management, vocational rehabilitation, skills training and education, job placement and retention and disability benefits assistance and advocacy (the "Services"); and

WHEREAS, the Contractor represents that it is a for-profit corporation duly registered under the laws of the State of New York, authorized by its corporate charter to provide the WeCARE Services and has the necessary ability and expertise to do so; and

WHEREAS, the parties hereto entered into an agreement ("Agreement") whereby the Contractor agreed to provide the WeCARE Services as described therein for an initial term covering the period from December 22, 2004, through December 21, 2007; and

WHEREAS, the Agreement gave the Department the right and option to renew the Agreement, for one additional three (3) year term; and

WHEREAS, pursuant to Section 4-02 (b)(1)(iii) of the Procurement Policy Board Rules, the Department extended the performance period of the Agreement for a two (2) month "time only" extension from December 22, 2007 to February 21, 2008; and

WHEREAS, the Department now wishes to exercise its right and option to renew the Agreement for eighteen (18) months for the period from February 22, 2008 through August 21, 2009, and reserves the option to renew for the remaining eighteen (18) months of the original three (3) year optional renewal period; and

WHEREAS, the Contractor is desirous that the Department renew the Agreement under the same terms and conditions contained herein; and

WHEREAS, the Department now also wishes to modify the Agreement to require Contractor to Operate Clinical Review Teams and to provide additional support services to Participants and their families. and

WHEREAS, the Department now also wishes to modify the Agreement in order to provide funding for the costs of Worker's Compensation insurance for Participants in WeCARE Work Experience Program activities.

NOW, THEREFORE, the parties hereto agree as follows:

1. Except as modified herein or modified previously, all of the terms, covenants, and conditions of the Agreement shall remain unchanged and in full force and effect.
2. Pursuant to the terms of the Agreement, the Department hereby exercises its right and option to renew the Agreement and hereby:
 - a. renews the Agreement for the period from February 22, 2008, through August 21, 2009, unless sooner terminated pursuant to the terms of the Agreement; and
 - b. reserves the option to renew this Agreement for the remaining eighteen (18) months of the original three (3) year optional renewal period.
3. The Department hereby modifies the Agreement as follows:
 - A. Article 6, "Scope of Services", paragraph "G." entitled "CSP Case Management Services" subparagraph numbered 4. entitled "Case Management Components" is hereby amended by adding the following lettered subparagraph "(h)":

(h) Clinical Review Teams

(i) The Contractor shall operate the Clinical Review Teams (CRT).

(ii) Purpose

The CRTs shall determine the clinical appropriateness of the most recent Functional Capacity Outcome (FCO) determination of all Participants who have had a new or deteriorating medical and/or mental health condition that interferes with capacity to participate in WeCARE. Participants shall include:

- (a) current Participants in the WeCARE program; and
- (b) former Participants who have been re-referred by HRA and who have had a previous Biopsychosocial Assessment (BPS) and have had a FCO determination within the last twelve (12) months.

(iii) Determination of Clinical Appropriateness of FCO

To determine the clinical appropriateness of the most recent FCO the CRT shall:

- (a) perform a review of the current FCO determination, biopsychosocial assessments, past Health Services System (HSS) evaluations, doctor's notes and all relevant additional documentation for each Participant; and
- (b) engage the Participant after the review in (iii)(a) above is complete, by conducting and in-depth dialogue and interview with the Participant for the purpose of encouraging his or her active involvement in the review and possible modification of the WeCARE service plan; and
- (c) modify the WeCARE service plan as needed; and

(d) assign the Participant to the appropriate activity after a final determination by a certified physician of the accuracy of the FCO.

B. Article 6, "Scope of Services", paragraph "I." entitled "Federal Disability Benefits Assistance", is hereby amended by adding the following lettered subparagraph "(i)":

(i) Support Services. The Contractor shall provide support services to Participants and their families and/or the people they live with, that include improving health literacy, assistance in making their housing accessible, obtaining adaptive clothing and devices, and assisting the families and/or the people the Participant lives with in obtaining services that will assist them in coping with the disability.

C. Article 19, "Payment", paragraph "5." entitled "Reduction in Federal, State or City Funding" and paragraph "6." entitled "No Duplicate Reimbursement" are hereby renumbered as "6." And "7." respectively.

D. Article 19, "Payment" is hereby amended by adding the following paragraph numbered "8":

8. Worker's Compensation Funding

The Department shall provide funding for Worker's Compensation for Participants in Work Experience Program activities pursuant to the Renewal and Modification Budget attached hereto as Exhibit 1.

E. Article 15, "Deliverables and Performance Milestones", is hereby amended from:

The Contractor shall timely complete the Schedule of Deliverables and Performance Milestones annexed hereto as Exhibit 5 and made part of this Agreement by this reference. The Department may revise the Schedule of Deliverables accordingly, in the event of a contract modification.

TO:

The Contractor shall timely complete the Schedule of Deliverables and Performance Milestones annexed hereto as Exhibit 5A which is applicable to the eighteen (18) month renewal period of February 22,

2008 to August 21, 2009 and made part of this Agreement by this reference. The Department may revise the Schedule of Deliverables accordingly, in the event of a contract modification.

4. Budget

The Department agrees to pay and the Contractor agrees to accept as payment in full for all services performed during the renewal term herein, an amount not exceed \$48,844,778.00 pursuant to the Renewal and Modification budget annexed hereto as Exhibit 1 and incorporated herein by this reference.

5. PROCUREMENT POLICY BOARD RULES

This Renewal and Modification Agreement is subject to the Rules of the Procurement Policy Board of the City of New York ("PPB Rules" or "Rules"). For the period of this Renewal and Modification Agreement, all references to the Rules in the Agreement and this Renewal and Modification Agreement shall be to the most current version, which shall incorporate any subsequent changes of said Rules. In the event of a conflict between said Rules and a provision of this Renewal and Modification Agreement, said Rules shall take precedence.

6. APPROVALS

6.1 THE CITY OF NEW YORK

This Renewal and Modification Agreement shall not become effective or binding unless:

- A. authorized by the Mayor; approved pursuant to the New York City Charter and Procurement Policy Board Rules for contracts not subject to public letting; and the Comptroller shall have endorsed his or her certificate that there remains unexpended and unapplied a balance of the appropriation of funds applicable hereto sufficient to pay the estimated expense of executing this Renewal and Modification Agreement; and
- B. approved by the Mayor pursuant to the provisions of Executive Order No. 42, dated October 9, 1975, in the event the Executive Order requires such approval; and
- C. certified by the Mayor (Mayor's Fiscal Committee created pursuant to Executive Order No. 43, dated October 14, 1975) that performance thereof will be in accordance with the City's financial plan.

7. OTHER APPROVALS OR AUTHORIZATIONS

The requirement of this Article shall be in addition to, and not in lieu of, any approval or authorization otherwise required for this Renewal and Modification Agreement to be effective and for the expenditure of City funds.

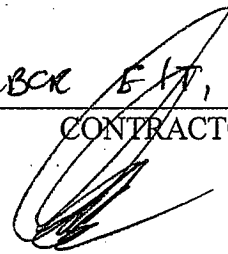
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IN WITNESS WHEREOF, the parties have duly executed this Renewal and Modification Agreement on the date first above written.

CITY OF NEW YORK
DEPARTMENT OF SOCIAL SERVICES
HUMAN RESOURCES ADMINISTRATION

By *Jandra Klaus-Morgan*
Title *Executive Deputy Commissioner*

ANBOK EIT, LLC
CONTRACTOR

By 
Title *PRESIDENT*

46-0508470
Fed. Employer I.D. No. or
Soc. Sec. No.

STATE OF NEW YORK)

: SS:

COUNTY OF NEW YORK)

On this 4th day of March 20 08, before me personally came Sandra Glaves Morgan to me known and known to me to be Executive Deputy Commissioner of the HUMAN RESOURCES ADMINISTRATION/DEPARTMENT OF SOCIAL SERVICES of the CITY OF NEW YORK, the person described in and who executed the foregoing instrument, and she/he acknowledged to me that she/he executed the same for the purpose therein mentioned.

Bonnie R. Briggman-Robinson
NOTARY PUBLIC

BONNIE R. BRIGGMAN-ROBINSON
Commissioner of Deeds
City of New York No. 4-4617 2109
Commission Expires July 1, 2009

STATE OF Texas)

: SS:

COUNTY OF Travis)

On this 29 day of February 20 08, before me personally came PAUL G. BUNN, to me known, who, being by me duly sworn, did depose and say that she/he resides at 7621 YAMPON DR, AUSTIN, TX 78759, that she/he is the President of Arbor E & T, LLC, the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the seal was so affixed by order of the Board of Directors of said corporation; and that she/he signed her/his name thereto by like order.

Denise A. Vertrees
NOTARY PUBLIC

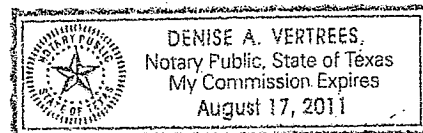


Exhibit 1B: Approved Line Item Budget Years 4 to 6

APPENDIX B-2: BUDGET**4th thru 6th YEAR BUDGET SUMMARY
COST PROPOSAL**Proposer's Name: ARBOR E&T**4th thru 6th Year Budget Summary**

Part 1: Total Budget

A. Total Personnel Cost: (from Appendix B-3)	<u>\$ 12,307,903</u>
B. Total Other than Personnel Services (OTPS) Cost (from Appendix B-4)	<u>\$ 16,869,871</u>
C. Clinical review Team budget (CRT)	<u>\$ 1,469,442</u>
D. Profit / Program Income, if any:	<u>\$ 1,915,969</u>
E: Total Budget Requested: (A+B+C+D)	<u>\$ 32,563,185</u>
F. Total Number of Participants Served (from Appendix B-1, I, 1)	<u>21,583</u>
G. Annual Rate Per Participant: (E divided by F)	<u>\$ 1,509</u>

TOTAL CONTRACT \$ 48,844,778

Exhibit 1B: Approved Line Item Budget Years 4 to 6

**APPENDIX B-3: BUDGET
4th to 6th YEAR PERSONNEL BUDGET
COST PROPOSAL**

Proposer's Name:

ARBOR E&T

Job Title	# of Positions	# of Months	Annual Salary	Total Cost to Contract
RVP WeCARE	1	12	\$ 160,000	\$ 160,000
Executive Director	1	12	\$ 120,000	\$ 120,000
Deputy Director (1 per Borough)	2	12	\$ 85,000	\$ 170,000
Medical Director	1	12	\$ 115,000	\$ 115,000
Admin Assistant	1	12	\$ 34,000	\$ 34,000
Human Resource Manager	1	12	\$ 70,000	\$ 70,000
Human Resource Assistant	1	12	\$ 33,000	\$ 33,000
Quality Assurance Manager	1	12	\$ 60,000	\$ 60,000
Quality Assurance Specialist	2	12	\$ 45,000	\$ 90,000
Compliance Officer	1	12	\$ 50,000	\$ 50,000
MIS Systems Manager	1	12	\$ 55,000	\$ 55,000
Data Specialist	5	12	\$ 28,460	\$ 142,300
IT Net Administrator	1	12	\$ 44,000	\$ 44,000
Biller	2	12	\$ 32,000	\$ 64,000
Manager Employ Prep/ Placement	2	12	\$ 68,000	\$ 136,000
DVE Assessment Coordinator	1	12	\$ 50,000	\$ 50,000
Sr. Vocational Evaluator	1	12	\$ 39,000	\$ 39,000
Vocational Evaluator	1	12	\$ 40,000	\$ 40,000
Work Readiness & Placement Coord	1	12	\$ 41,000	\$ 41,000
Job Developer	2	12	\$ 42,000	\$ 84,000
Employment Specialist	1	12	\$ 34,000	\$ 34,000
Retention Specialist	2	12	\$ 24,000	\$ 48,000
Work Readiness Specialist	6	12	\$ 36,000	\$ 216,000
Training Liaison	2	12	\$ 31,000	\$ 62,000
WEP Specialist	9	12	\$ 29,000	\$ 261,000
Imaging Supervisor	1	12	\$ 33,000	\$ 33,000
Imaging CSR	5	12	\$ 23,000	\$ 115,000
Director - Case Management & Intake Services	1	12	\$ 95,000	\$ 95,000

Intake Services				
Clinical Operations Manager	1	12	\$ 80,000	\$ 80,000
Manager Intake Services	3	12	\$ 41,050	\$ 123,150
Intake Specialist	9	12	\$ 35,100	\$ 315,900
Case Management				
Manager Case Management	3	12	\$ 60,000	\$ 180,000
Supervisor Case Management	16	12	\$ 50,000	\$ 800,000
Case Manager	141	12	\$ 35,100	\$ 4,949,100
Clerical & Other Support Staff	44	12	\$ 23,500	\$ 1,034,000
Subtotal Base only	273			\$ 9,943,450
Bonus Pool @ 2.5% of above salaries	2.50%			\$ 248,586
Subtotal Base plus Bonus				\$ 10,192,036
Fringe Benefits	20.76%			\$ 2,115,867
Total Personnel Cost				\$ 12,307,903

Exhibit 1 B: Approved Line Item Budget Years 4 to 6

APPENDIX B-4: BUDGET

**Arbor WeCARE
OTPS Budget
COST PROPOSAL**

Proposer's Name: ARBOR E&T

Years 4 - 6 line item budget for Subcontractor Costs

Expense	Total Cost Charged to This Contract
Contracted Cost see attached	\$ 10,545,072
Rent	\$ 1,365,548
Building renovations	
Utilities	\$ 207,000
Telephone	\$ 306,900
Printing	\$ 68,300
Supplies	\$ 253,900
Equipment Purchase	\$ -
Equipment Rental	\$ 19,800
Maintenance	\$ 96,000
Insurance	\$ 769,796
Travel	\$ 12,200
Postage	\$ 21,100
Other OTPS Cost see attached	\$ 431,706
Subtotal	\$ 14,097,322
Indirect Cost: 10.50%	\$ 2,772,549
Total OTPS Cost	\$ 16,869,871

Exhibit 1B: Approved Line Item Budget Years 4 to 6

APPENDIX B-4a: BUDGET

**Arbor WeCARE
Subcontractor Costs
COST PROPOSAL**

Proposer's Name:

ARBOR E&T

Years 4 - 6 line item budget for Subcontractor Costs

Subcontracts

HHC	\$	3,676,550
BBCS	\$	2,986,836
Goodwill	\$	2,911,836
St John's	\$	969,850
Subtotal Subcontracts	\$	10,545,072

Exhibit 1B: Approved Line Item Budget Years 4 to 6

**Arbor WeCARE
Other OTPS Costs
COST PROPOSAL**

Proposer's Name:

ARBOR E&T

APPENDIX B-4: BUDGET

Years 4 - 6 line item budget for Other OTPS costs

Other OTPS Costs

Audit	\$	48,845
Building Security	\$	90,000
Tests and Training Materials	\$	-
Case Management and other Software	\$	230,500
Client Placement & Retention Incentives (Gift Certificates)	\$	-
Miscellaneous Costs not elsewhere included	\$	62,361
Subtotal Other OTPS Costs	\$	431,706

Exhibit 1B: Approved Line Item Budget Years 4 to 6

Line item budget for case management services

The following costs are included in the annual budget for Case Management on Appendix B-1

**Arbor WeCARE
Case Management Costs
COST PROPOSAL**

Proposer's Name:

ARBOR E&T

Job Title	# of Positions	# of Months	Annual Salary	Total
Director - Case Management & Intake Services	1	12	\$ 95,000	\$ 95,000
Intake Services				
Clinical Operations Manager	1	12	\$ 80,000	\$ 80,000
Manager Intake Services	3	12	\$ 41,050	\$ 123,150
Intake Specialist	9	12	\$ 35,100	\$ 315,900
Case Management				
Manager Case Management	3	12	\$ 60,000	\$ 180,000
Supervisor Case Management	16	12	\$ 50,000	\$ 800,000
Case Manager	141	12	\$ 35,100	\$ 4,949,100
Subtotal	174			\$ 6,543,150
Bonus Pool	2.50%			\$ 163,579
Fringe Benefits	20.76%			\$ 1,392,317
Total Arbor Personnel Cost				\$ 8,099,046
Case Management OTPS				\$ 1,429,248
Total Case Management Costs				\$ 9,528,294

Exhibit 5A:

WeCARE
ARBOR EDUCATION AND TRAINING
CONTRACT RENEWAL & MODIFICATION

Schedule of Deliverables and Performance Milestones

	Unit Cost	Units (Clients)	\$
A. Assessments			
A1. BioPsychoSocial Assessment	\$ 260	21,583	\$ 5,611,580
A2. Biopsychosocial Assessment (Non Psychiatric)	\$ 136	5,396	\$ 733,856
A3. Biopsychosocial Assessment (Psychiatric)	\$ 150	5,396	\$ 809,400
B. Vocational/Employment Training			
B1. Vocational Assessment (DVE) & Employ Plan (IPE)	\$ 700	8,766	\$ 6,136,200
<u>Unsubsidized Employment</u>			
B2. 30 day retention in unsubsidized employment	\$ 1,700	567	\$ 963,900
B3. 90 day retention in unsubsidized employment	\$ 1,800	457	\$ 822,600
B4. 180 day retention in unsubsidized employment	\$ 1,905	339	\$ 645,795
<u>Subsidized Employment</u>			
B5. 30 day retention in subsidized employment	\$ 600	120	\$ 72,000
B6. 90 day retention in subsidized employment	\$ 850	101	\$ 85,850
B7. 180 day retention in subsidized employment	\$ 1,905	68	\$ 129,540
C. Complete Wellness Plan	\$ 600	2,564	\$ 1,538,400
D. ATTAINMENT OF FEDERAL DISABILITY (SSI)	\$ 1,477	2,313	\$ 3,416,301
E. Cost Reimbrusable			
E1. Case Management			\$ 9,528,321
E2. Clinical Review Team (CRT)			\$ 1,469,442
E3. Workers' Compensation			\$ 600,000
<u>Annual Total</u>			\$ 32,563,185