

**APPROVAL AS TO FORM OF A SINGLE CONTRACT
CONTRACT RENEWAL AND MODIFICATION**

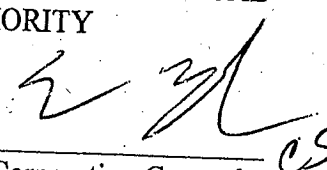
NAME OF CONTRACTOR: FEDERATION EMPLOYMENT AND GUIDANCE
SERVICE, INC.

Pursuant to the powers vested in me by Section 394, subd. b, of the New York City Charter, I hereby approve as to form and certify as to legal authority the annexed contract to be entered into by the Department of Social Services of the Human Resources Administration on behalf of the City of New York.

The above approval is made on the express understanding that the substantive language of the subject contracts will not be altered or changed in any way without prior submission to the Office of the Corporation Counsel for approval, provided, however, that blank spaces in the contracts requiring names, dates, dollar amounts, or other similar details may be completed.

Dated:

APPROVED AS TO FORM
CERTIFIED AS TO LEGAL
AUTHORITY


Acting Corporation Counsel

NOV 29 2007

THIS RENEWAL AND MODIFICATION AGREEMENT ("Renewal and Modification Agreement"), dated as of this ~~14th~~ day of ~~December~~, 2007, 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 Federation Employment and Guidance Service, Inc., d/b/a F.E.G.S. Health and Human Services System, d/b/a F.E.G.S. ("FEGS" or "Contractor"), with offices at 315 Hudson Street, New York, New York 10013 (hereinafter, 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 not-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, the Department wishes to exercise its right and option to renew the Agreement for the period from December 22, 2007, through December 21, 2010, and the

Contractor is desirous that the Department do so under the terms and conditions contained herein;

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.

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 renews the Agreement for the period from December 22, 2007, through December 21, 2010, unless sooner terminated pursuant to the terms of the Agreement.
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 renewal period of December 22, 2007 to December 21, 2010 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 \$113,342,994.00 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

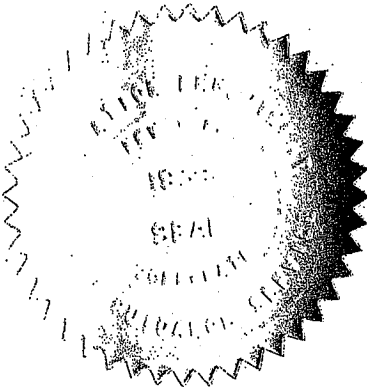
By Sandra Waues-Morgan
Title Executive Deputy Commissioner

FEDERATION EMPLOYMENT AND GUIDANCE SERVICE, Inc
CONTRACTOR

By [Signature]
Title EXECUTIVE VICE PRESIDENT

13-1624000

Fed. Employer I.D. No. or
Soc. Sec. No.

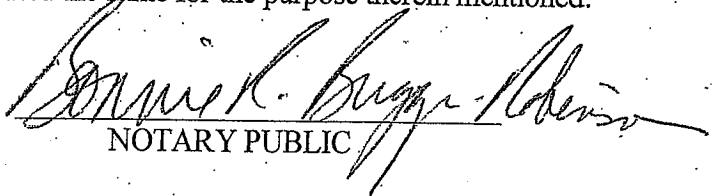


STATE OF NEW YORK)

: ss:

COUNTY OF NEW YORK)

On this 4th day of December 20 07, before me personally came Sandra Claves-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.


NOTARY PUBLIC

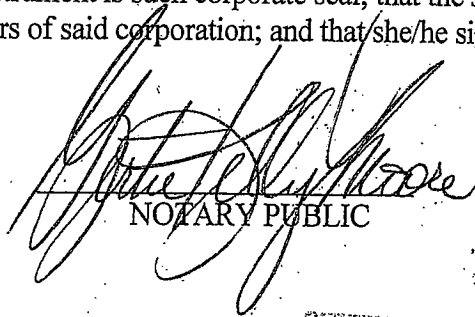
BONNIE R. BRIGGMAN-ROBINSON
Commissioner of Deeds
City of New York No. 4-4617
Commission Expires July 1, 2009

STATE OF New York

COUNTY OF New York

: ss:

On this 4th day of December 2007, before me personally came Eva Machensky, to me known, who, being by me duly sworn, did depose and say that she/he resides at 33 South Portland Ave, Roslyn NY 11577, that she/he is the Executive Vice President of Education Employment and Guidance Services, Inc., 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.


NOTARY PUBLIC

GERTIE KELLY-MOORE
Notary Public, State of New York
No. 01KE4528261
Qualified in Bronx County
Commission Expires Aug. 31, 2010

Appendix B-2: BUDGET

BUDGET SUMMARY YEARS 4, 5 AND 6
COST PROPOSALProposer's Name: F.E.G.S.Annual Budget SummaryPart 1: Total Budget (includes in-kind contributions) - **Years 4, 5 and 6**

A. Total Personnel Cost: (from Appendix B-3)	\$	<u>24,153,521</u>
B. Total Other than Personnel Services (OTPS) Cost: (from Appendix B-4)	\$	<u>13,627,477</u>
C. Profit/Program Income, if any:	\$	<u>0</u>
D. Total Budget Requested : (A+B+C)	\$	<u>37,780,998</u>
E. Total Number of Participants served (from Appendix B-1, I, 1)		<u>24,144</u>
F. Annual Rate per Participant: (D divided by E)	\$	<u>1,565</u>

Appendix B-3 : BUDGET
PROPOSED PERSONNEL BUDGET
COST PROPOSAL YEARS 4, 5 AND 6

Proposer's Name: F.E.G.S

Job Title	Total # of FTE	ANNUAL SALARY	TOTAL AMOUNT TO CONTRACT	Allocated to Case Management	
Senior Vice President	1	\$180,000	180,000		0
Medical Director	1	\$170,000	170,000		0
Associate Vice President	1	\$140,000	140,000	0.5	70,000
Assistant Vice President	1	\$98,000	98,000		0
Sr Directors, Directors	3	\$90,000	270,000	0.5	45,000
Program Director	2	\$85,000	170,000	1	85,000
Assistant Director, QA	1	\$72,000	72,000		0
Assistant Director, Training	1	\$85,000	85,000		0
Associate/Assistant Director	9	\$65,000	585,000	1	65,000
Assistant Director	7	\$60,000	420,000	1	60,000
Coordinator	14	\$55,000	770,000	5	275,000
Administrator/Business Manager	5	\$55,000	275,000		0
Operations Specialist	6	\$48,000	288,000		0
Supervisor (includes MSWs)	24	\$47,000	1,128,000	10	470,000
Office Manager	4	\$45,000	180,000		0
Assistant Supervisor	14	\$44,000	616,000	10	440,000
Certified Rehabilitation Counselor/Supervisor for Evaluators	3	\$44,000	132,000		0
Job Developer	22	\$44,000	968,000		0
Social Worker / MSW for intake	20	\$44,000	880,000	20	880,000
Managed Care Specialist	3	\$39,000	117,000	3	117,000
Instructor	20	\$39,000	780,000		0
CSP Case Manager	9	\$38,000	342,000	9	342,000
Vocational Case Manager	34	\$38,000	1,292,000	34	1,292,000
Assessment Case Manager	25	\$38,000	950,000	25	950,000
Patient Care Specialist	12	\$37,000	444,000	12	444,000
Patient Care Analyst	4	\$37,000	148,000		0
Service Coordination Specialist	14	\$35,000	490,000	14	490,000
Employment Counselors	12	\$34,000	408,000		0
WEP Developer	16	\$34,000	544,000		0
Evaluator	18	\$34,000	612,000		0
Entitlement Specialist	17	\$33,000	561,000	17	561,000
Client Liaison Specialist	5	\$33,000	165,000	4	132,000
Project Assistant (Timekeeping)	4	\$32,000	128,000		0
Program/Project Assistant	12	\$32,000	384,000		0
Administrative Assistant	3	\$32,000	96,000		0
Case Management Assistant	6	\$31,500	189,000	6	189,000
Client Intake Specialists	20	\$31,000	620,000		0
Milestone Confirmation Worker	2	\$30,000	60,000		0
Employment Verification Specialist	6	\$30,000	180,000		0
Records Analyst	5	\$28,000	140,000		0
		Total Wages	16,067,000		6,907,000
		Fringe @ 26.5% of Total W	4,255,105		1,830,355
		Subtotal	20,312,105		8,737,355
		Total Personnel Cost (Includes support and indirect @ 13.68%) **	23,090,801		9,932,625

CRT Staff	739,000
Fringe @ 26.5% of Total Wages	195,835
Subtotal	934,835
Total Personnel Cost (Includes support and indirect @ 13.68%) **	1,062,720

* Included in Total FTE's and Total Amount charged to contract

** Support and Indirect costs are not included in the Case Management or CRT Line Item

APPENDIX B-4: BUDGET

OTPS Budget
Cost Proposal Years 4, 5 and 6Proposer's Name: F.E.G.S

EXPENSE	Years 4, 5 and 6	CASE MANAGEMENT EXPENSES
Contracted Cost *	6,607,254	0
Rent and other related costs	3,751,364	1,603,132
Utilities	294,850	128,505
Telephone	416,668	152,249
Printing	115,400	65,187
Supplies (office, computer rooms and classroom supplies)	143,712	63,158
Equipment Purchase	339,440	131,392
Equipment Rental	95,014	34,370
Maintenance	65,750	33,250
Insurance	1,400	0
Travel	323,536	6,115
Postage	63,547	57,498
Other OTPS (Identify)		0
Participant Resources (testing materials, resume paper, etc)	185,690	142,455
Participant Training Materials (educational software, classroom materials, etc)	71,012	7,833
Participant Special Events	21,190	10,864
Participant Incentives (post employment events, placements, retention)	0	0
Advertising/Recruitment	58,840	46,065
Archiving	8,400	2,694
Conferences	5,750	1,738
Messenger Service	12,540	6,988
Miscellaneous	30,380	20,000
Sub-Total	12,611,737	2,513,495
Indirect Cost: @ 13.68% of sub-total **	821,413	343,846
Total OTPS Cost	13,433,150	2,857,342

Worker's Comp Expenses	152,000
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CRT OTPS Expenses	37,233
Indirect Cost @ 13.68 **	5,093
Total CRT OTPS	42,326

* Contracted Cost line is exempt from the Indirect Cost calculation.

** Support and Indirect costs are not included in the Case Management or CRT Line Item

Exhibit 5A:

**WeCARE
FEGS
CONTRACT RENEWAL & MODIFICATION**

Schedule of Deliverables and Performance Milestones

	Unit Costs	Units (Clients)	Cost
A. Assessments			
A1. BiopychoSocial Assessment	\$ 250	24,144	\$ 6,036,000
A2. Biopsychosocial Assessment (Speciality)	\$ 175	12,072	\$ 2,112,600
B. Vocational/Employment Training			
B1. Vocational Assessment (DVE) & Employ Plan (IPE)	\$ 480	9,806	\$ 4,706,880
<u>Unsubsidized Employment</u>			
B2. 30 day retention in unsubsidized employment	\$ 2,500	635	\$ 1,587,500
B3. 90 day retention in unsubsidized employment	\$ 2,700	511	\$ 1,379,700
B4. 180 day retention in unsubsidized employment	\$ 2,960	455	\$ 1,346,800
<u>Subsidized Employment</u>			
B5. 30 day retention in subsidized employment	\$ 2,000	134	\$ 268,000
B6. 90 day retention in subsidized employment	\$ 2,400	112	\$ 268,800
B7. 180 day retention in subsidized employment	\$ -	73	\$ -
C. WELLNESS TREATMENT			
C1. Complete Wellness Plan	\$ 975	2,868	\$ 2,796,300
D. ATTAINMENT OF FEDERAL DISABILITY (SSI)			
	\$ 1,896	2,586	\$ 4,903,500
E. COST REIMBURSEABLE			
E1. Case Management			\$ 11,250,850
E2. Clinical Review Team (CRT)			\$972,068
E3. Workers Compensation			\$152,000
<u>Annual TOTAL</u>			\$ 37,780,998
<u>TOTAL CONTRACT</u>			\$ 113,342,994

Renewal contract cost per Client (FEGS) \$1,565