

## EXHIBIT B-1

CONTRACT BETWEEN  
HENKELS & MCCOY, INC.  
AND

COUNTY OF SAN LUIS OBISPO DEPARTMENT OF SOCIAL SERVICES

AGENCY: Henkels & McCoy, Inc.  
 GRANT CONTACT PERSON: Jon Rubin  
 PHONE: (408) 871-2831  
 PROJECT: WIA Out-of-School Youth Program Services  
 PROJECT BUDGET: \$123,663.00

## 1. Line Item Budget: Out-of-School Youth

<u>Line Item</u>	<u>Total</u>
<b>PERSONNEL</b>	
Regional Manager	\$6,703.00
Program Manager	\$7,670.00
Business Community Liaison	\$11,760.00
Career Coach/Vocational Instructor (2)	\$22,320.00
Fringe Benefits	\$13,843.00
<b>Personnel Cost Total</b>	<b>\$62,296.00</b>
<b>OPERATING COSTS</b>	
Advertising – Website, Brochures, Ads	\$750.00
Rent – Paso Robles Housing Authority, Atascadero High	\$4,250.00
Duplication/Printing	\$200.00
Equipment Rental	\$2,500.00
Instructional Supplies	\$5,508.00
Office Supplies	\$875.00
Telephone	\$1,275.00
Travel & Mileage	\$6,561.00
Staff Background Checks	\$220.00
ETO Project Management Software	\$1,200
H&M Indirect Costs	\$8,775.00
Program Fee Profit	\$4,388.00
<b>Operating Cost Total</b>	<b>\$36,502.00</b>
<b>PARTICIPANT COSTS</b>	
Participant Wages	\$9,900.00
Supportive Services	\$5,200.00
Other Participant Program Costs	\$4,500.00
<b>Participant Cost Total</b>	<b>\$19,600.00</b>
<b>ADMINISTRATIVE COSTS</b>	
Quality Support Staff Salaries	\$3,465.00
Fringe Benefits	\$990.00

Audit	\$810.00
<i>Administrative Cost Total</i>	<b>\$5,265.00</b>
<b>Total Out-of-School Youth Program Costs</b>	<b>\$123,663.00</b>

## 2. Budget Narrative

### a. Personnel Costs = \$62,296

- Regional Manager – (Average 7.5 hours per week starting in January 2014) Director of all projects in the West region with responsibility to all budgets, staff hiring, program tracking to outcomes and contract, customer contract, monitoring and overall supervision of the program = **\$6,703**
- Program Manager – (1 Part-time position at 14 hours per week for 21 weeks starting in January 2014) Supervisor of youth program for all 33 participants and 3 staff. Responsibilities include staff selection, supervision, weekly reports on outcomes to the customer, intake/eligibility, contract administration and tracking outcomes, staff development and assist with the certification process and participant follow up = **\$7,670**
- Business Community Liaison - (1 Part-time at position 16 hours per week for 21 weeks starting in February 2014) Will be providing local linkages and connections for both programmatic coordination and youth resources. Through existing relations with the business community and the education institutions we will create relations that benefit our Young Adults. From 2-way referrals, to employment opportunities this person will be our primary link to our partners = **\$11,760**
- Career Coach/Vocational Instructor (2) – (1 Full-time position 40 hours per week for 21 weeks starting in January 2014. 1 part-time position 20 hours per week. for 20 weeks starting in January 2014.) Youth Training Development Outreach Counselor with a background in social work has written appropriate curriculum and will be responsible for individual counseling and small group work readiness training. They will also be responsible for outreach within the community to form relationships with employers, community organizations and adult support groups. They are involved with multiple components of the project including instruction and case management for a case load of 20 or more participants, classroom instruction, assists as needed with basic skills training, mentoring exercises, leadership skills, job readiness skills, and progress tracking for each participant = **\$22,320**
- Fringe Benefits = **\$13,843**
  - FICA – 7.65% of personnel costs = **\$3,707**
  - Unemployment (State/Federal) 65%/0.12% of personnel costs = **\$373**
  - General liability – 3.02% of personnel costs = **\$1,463**
  - Workers Compensation - .50% of personnel costs = **\$242**
  - Health/Disability Insurance – 16.50% of personnel costs **\$8,058**

**b. Operating Costs = \$40,630 (\$36502)**

- Advertising – Website, Brochures, Ads. Covers all costs for marketing and advertising required to recruit program participants, including program brochures, ads and community outreach costs = **\$750**
- Rent for Class Room space at the Paso Robles Housing Authority and for use of space at Atascadero HS. = **\$4250**
- Duplication/Printing (\$20 x 20 participants) OSHA 10 printed materials as required for this credential. All other costs are covered through the certified staff = **\$200**
- Equipment Rental (\$500 x 5 months) required for 2 computer labs. One at each location. Each lab includes 5 notebook computers, all the required software, cabling and printing equipment = **\$2,500**
- Instructional Supplies (Items listed below make up this category) = **\$5,508**
  - GED, materials/exam fees (\$90 x est. 8 participants) Amount requested includes all educational material, software to prepare participants for exam and practice tests and cost for test vouchers = **\$720**
  - Hospitality TRAC, books/exams (\$60 x 6 test vouchers) Participant credentials – One of the broad spectrum career exploration programs to in demand occupations that gives the participant an opportunity to gain as many credentials possible to enhance their ability to reach a long term labor attachment = **\$360**
  - NRF educational materials (\$60 x 10 sets of books ) Participant credential – all the necessary exercise manuals and material to prepare the participant for the NRF customer service test credential **\$600**
  - NRF Test Vouchers (\$55 X 18 Test vouchers) Participant Credentials – One of the broad spectrum career exploration programs to in demand occupations in customer service that gives the participant an opportunity to gain as many credentials possible to enhance their ability to reach a long term labor attachment = **\$990**
  - ServSafe Books test vouchers (\$20 x 18 test vouchers) Participant Credential – One of the broad spectrum career exploration programs in the food industry to in demand occupations that gives the participant an opportunity to gain as many credentials possible to enhance their ability to reach a long term labor attachment = **\$360**
  - USB Flash drives (\$5.50 x 33 units) each participant receives a flash drive loaded with Work Readiness exercises as part of our Work Readiness program = **\$182**
  - CPR/First Aid Cert. (\$20 x 18 course vouchers and credentials) each participant will have the opportunity to get their certification. This can then be added to their resume and employment opportunities = **\$400**
  - Remedial Software Package –Site license for Skills Tutor remedial and work readiness software to be used by all 32 participants. This includes pre and post matrix results remedial software, work readiness exercises and individual participant progress tracking = **\$1,500**
  - TABE Assessment Test (estimated at \$12 x 32 Participants) Covers costs for pre, post and practice test for the TABE assessment test = **\$396**

- Office Supplies – Toner, Copy Paper, Postage, etc. = **\$875**
  - Project and staff related office supplies including toner, copy paper, desk materials, and light expendable desk equipment (\$625 average cost per participant = \$20)
  - Covers all project related costs for stamps, shipping and over-night shipping for participant job search related activities (\$50 x 5 mos. = \$250)
- Telephone – Request includes all costs for project related staff only communication devices including cell phones for management and staff, social media and internet access (estimated at \$255 x 5 months) = **\$1,275**
- Travel & Mileage – Covers estimated mileage for staff for all project related travel at \$0.55 per mile for an average of 300 miles per week for project related staff and for staff to attend conferences = **\$6561**
- Staff Background checks (\$110 x 2) Henkels & McCoy has a zero tolerance drug policy. All employees are subject to pre-employment and random drug tests. We also do background checks on all of our employees to comply with state and local requirements when working with this population = **\$220**
- ETO Project Management Software – Covers all costs for PM Software used by all staff and partner agencies including log-ins, reporting structure and as described throughout our proposal = **\$1,200**
- H&M Indirect Costs – approved indirect rate is 11.49% of costs, but a rate of 8% of costs was negotiated for this contract = **\$8,775**
- Program Fee Profit (4% of all costs = less than \$133 per participant) 10% of costs is allowed by government regulations. The balance is in-kind for this program = **\$4,388**

**c. Participant Costs = \$19,600**

- Participant wages- = **\$9,900**
  - Work Experience Intern- This amount is for our Participant Work Experience Program. Each program is estimated for 6 weeks x 20 hours per week x \$8.25 per hour. This amount will cover a minimum of 8 participants. We will use this part of our training model to produce entry level jobs for participants to get them started back to the world of work. Total request is **\$7,920**
  - Participant fringe benefits (At 25% including program enrollment fees and check cutting fees) from staffing agency. This is all backed up by original invoices from the company. This includes workers compensations costs = **\$1,980**
- Support Services- = **\$5,200**
  - Amount requested is to purchase work related items for participants to remove barriers to employment including, DL Services, work clothes, work boots, safety equipment and tools. The maximum amount used per student is \$200. = **\$1,600**
  - This covers our participant incentive program (estimated at \$200 X 18 participants). Each participant will sign an incentive agreement at enrollment to the program to identify expectations. = **\$3,600**

- Other Participant Program Costs = **\$4,500**
  - Precision Driving School will provide driver education to prepare students to pass the DMV written and road tests. Each student will take six 90 minute driving lessons. A car will be provided for the road test. \$500 per person = **\$2500**
  - Transportation/Bus passes will be provided for Paso Express and regional Transit Authority to allow our young adults to access services in Paso Robles and Atascadero = **\$2,000**

**d. Administrative Costs = \$5,265**

- Audit Costs (Estimated at .6% of costs) – Required by Department of Labor for all providers that receive over \$500,000 government funds per year. Balance in kind = **\$810**
- Quality Support Staff (6 staff averaging 2 hours per week for the duration of the project); includes corporate staff, including Department Director and Operations Manager, that administer contract compliance and overall supervision. Also, included are 3 account managers in charge of all fiscal activities including billing and procurement and one payroll clerk = **\$3,465**
- Fringe Benefits = **\$990**
  - FICA – 7.65% of personnel costs = **\$265**
  - Unemployment (State/Federal) 6.5%/0.12% of personnel costs = **\$27**
  - General liability – 3.02% of personnel costs = **\$104**
  - Workers Compensation - .50% of personnel costs = **\$17**
  - Health/Disability Insurance – 16.50% of personnel costs **\$577**