

To: WIB Executive Committee

Date: Oct 29, 2001

FROM: Youth Council

For Action
 For Information
 Meeting Notes

SUBJECT: Renegotiation of Arbor, Inc. Contract

PROPOSED MOTION: That the WIB Executive Committee concur with the Youth Council's renegotiation proposal concerning the County's 19-21 Older Youth Program with Arbor, Inc. and authorize Private Industry Training Department to present the proposal to Arbor, Inc. Further, that the Executive Committee recommend to the Workforce Investment Board that the County's counter proposal be ratified.

DISCUSSION: Arbor, Inc. is the provider for Merced County's Older Youth Year Round Program. The Arbor contract is intended to serve 500 youth over a 20 month program. The first 8 months 175 youth were scheduled to enter the program; 55 were served. The second year of the program scheduled an additional 325 youth; as of October (July, August, September and October), only 26 have been added to the program. To exacerbate this problem, Arbor has added staff to handle an unrealized increased number of clients. This has caused an escalation of costs without an appropriate increase in clients served.

On September 14, 2001, the Youth Council's Operations Committee directed PITD contact Arbor with the intent to renegotiate the contract with lower numbers of youth being served at reduced costs. Arbor responded with a recommendation to de-obligate \$489,000 from the current contract amount of \$1,855,233 leaving the amount of \$1,366,233. They also proposed the number of youth enrollments be reduced from 500 to 300.

The Youth Council has approved a counter proposal to de-obligate \$862,722 from the current \$1,855,233 leaving the amount of \$992,342. They also propose the number of youth enrollments be reduced from 500 to 175.

ATTACHMENT: N/A

