

OFFICE OF THE CITY ATTORNEY  
DAWN MCINTOSH, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

1                    FIRST AMENDMENT TO LONG BEACH RECOVERY ACT SERVICES

2                                    AGREEMENT NO. 36398

3    **36398**

4                    THIS FIRST AMENDMENT TO LONG BEACH RECOVERY ACT  
5 SERVICES AGREEMENT NO. 36398 ("First Amendment") is made and entered into, as  
6 of June 2, 2023, for reference purposes only, by and between the CITY OF LONG BEACH  
7 ("City"), a municipal corporation, with its principal place of business at 411 West Ocean  
8 Blvd., Long Beach, California 90802, and FUND FOR GUARANTEED INCOME, a  
9 Delaware nonprofit corporation ("Contractor" or "F4GI"), with its principal place of business  
10 at 2040 E. Mariposa Avenue, El Segundo, CA 90245.

11                    WHEREAS, City selected Contractor to implement and administer the Long  
12 Beach Guaranteed Income Pilot Program as part of the Long Beach Recovery Act  
13 ("Recovery Act"); and

14                    WHEREAS, City and the Contractor (together, the "Parties") entered into  
15 Agreement No. 36398 (the "Agreement"), with a reference date of August 8, 2022, in an  
16 amount not to exceed Four Hundred Sixty Thousand, Nine Hundred Fifteen Dollars  
17 (\$460,915) for Contractor to perform the services outlined in the Scope of Work attached  
18 to the Agreement as Exhibit "A," and pursuant to the budget outlined in Exhibit "B," and

19                    WHEREAS, the Parties now desire to amend the budget;

20                    NOW, THEREFORE, in consideration of the mutual terms, covenants, and  
21 conditions herein contained, the Parties agree as follows:

22                    1.        Section 1 of the Agreement is hereby amended to read as follows:

23                    "1.        PROGRAM.    The City agrees to provide funding to the  
24 CONTRACTOR for the Guaranteed Income Pilot Program Implementation & Administrator  
25 Program"). The anticipated scope of work for the Program is set forth in CONTRACTOR's  
26 Scope of Work attached hereto as Exhibit "A" as well as CONTRACTOR's Budget attached  
27 hereto as Exhibit "B-1", each incorporated by this reference."

28        ///

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1                   2.     Section 5 of the Agreement is hereby amended to read as follows:  
2                   "5.     GRANT AMOUNT, INVOICING, AND METHOD OF PAYMENT.  
3 Grant funding shall be expended by CONTRACTOR for authorized eligible expenditures in  
4 accordance with the Program Budget attached hereto as Exhibit "B-1" and incorporated by  
5 this reference. The City will issue payment based upon services rendered and invoiced.  
6 CONTRACTOR shall submit invoices per the requirements as outlined in Exhibit A. City  
7 shall pay CONTRACTOR within 30 (thirty) days following receipt from CONTRACTOR of  
8 invoices in the format approved by the City. CONTRACTOR shall certify on the invoices  
9 that CONTRACTOR has performed the services in full conformance with this Agreement  
10 and is entitled to receive payment. CONTRACTOR shall have adequate financial  
11 management systems and internal controls in place to account for the expenditure of  
12 federal funds under the Program."

13                   3.     Except as expressly amended herein, all terms and conditions in  
14 Agreement No. 36398 are ratified and confirmed and shall remain in full force and effect.

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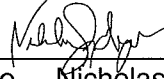
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IN WITNESS WHEREOF, the Parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

FUND FOR GUARANTEED INCOME, INC.  
a Delaware corporation

\_\_\_\_\_, June 13, 2023

By   
Name Nicholas Salazar  
Title COO, F4GI

\_\_\_\_\_, 2023

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

"Contractor"

CITY OF LONG BEACH, a municipal corporation

\_\_\_\_\_, June 22, 2023

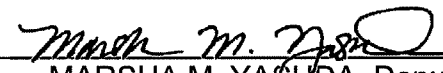
By   
City Manager

"City"

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

This First Amendment to Long Beach Recovery Act Services Agreement No. 36398 is approved as to form on June 20, 2023.

DAWN MCINTOSH, City Attorney

By   
MARSHA M. YASUDA, Deputy

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EXHIBIT "B-1"

**BUDGET SUMMARY**

**City Program information**

A1. Department: City of Long Beach, Department of Economic Development      A2. Program: Long Beach Guaranteed Income Pilot

**Vendor Information**

B1. Name: FUND FOR GUARANTEED INCOME      B2. FEIN: 86-1909049

C1. Program Name: Long Beach Guaranteed Income Pilot

C2. Phone Number: 1 833 801 0464

C3. E-mail Address: info@f4gi.org

D. Program Budget Year:

August 8, 2022 - June 31, 2024

D1. Type of Expenditure	D2. Account Number	D3. City of Long Beach Share	D4. F4GI Share	D5. Total Cost
Personnel		\$129,771	\$101,963	\$231,734
Fringe Benefits		\$11,133	\$8,748	\$19,881
Operating/Technical		\$14,282	\$49,500	\$63,782
Professional and Technical Services		\$257,647	\$162,935	\$420,582
Travel		\$1,500	\$0	\$1,500
Materials and Supplies		\$4,500	\$0	\$4,500
Equipment		\$0	\$0	\$0
Other		\$41,883	\$32,315	\$74,198
<b>TOTALS</b>		<b>\$460,717</b>	<b>\$355,460</b>	<b>\$816,177</b>

F. Percentage of total program costs covered by Fund for Guaranteed Income **44%**

EXHIBIT B-1

PERSONNEL BUDGET											
Bidder:		Fund for Guaranteed Income								Department:	City of Long Beach, Department of Economic Development
Program Name:		Long Beach Guaranteed Income Pilot								Program:	Long Beach Guaranteed Income Pilot
Personnel Budget Allocation:		2022									
A1. Position Title	A2. No. of Employees	A3. Salary Rate	A4. Time spent on Program	A5. Pay Periods	A6. City Share	A7. F4G1 Share	A8. Total Cost	A9. Summary of Job Responsibilities			
Program Director	1	\$175,000	48.00%	44	\$86,240	\$67,760	\$154,000	Oversees implementation and management of program. Monitors progress against program goals, and program expenditures against budget. Ensures F4G1 complies with all necessary guidelines and requirements.  Point of contact between F4G1 and research team. Assists independent research team with randomized lottery for participant selection.  Point for technology for the program, including setting up program and ensuring any integrations. Responsible for maintenance of technology platform, including the collection and hosting of secure participant data.			
Communications Lead	1	\$67,000	45.00%	44	\$30,954	\$24,321	\$55,275	Designs and executes clear, culturally appropriate communications for program participants, partners, and the City of Long Beach including program materials, media campaigns, press releases, social media posts, reports, and more.  Supports day to day program implementation, including partner requests, admin and operational			
Program Associate	1	\$55,000	35.00%	28	\$12,577	\$9,882	\$22,459				
<b>A10. Personnel Totals</b>	<b>3</b>				<b>\$129,771</b>	<b>\$101,963</b>	<b>\$231,734</b>				

B. Fringe Benefits and Total Personnel Cost	Item	City Share	F4G1 Share	Total Cost	Calculations
B1a. Social Security		\$8,046	\$6,322	\$14,368	= 0.620 x Line 10; for 2022, the wage base limit is \$147,000.
B1b. Medicare		\$1,882	\$1,479	\$3,361	= 0.145 x Line 10; there is no wage base limit.
Insurance		\$666	\$524	\$1,190	3.4% on first \$7,000 of payroll. City Share is proportional.
Compensation		\$519	\$408	\$927	0.4% of wages. City Share is proportional.
B4. Employment Training Tax		\$20	\$15	\$35	0.1% on first \$7,000 of payroll. City Share is proportional.
B5. Other (Please list)		\$0	\$0	\$0	
<b>B6. Fringe Benefits Totals (B1-5)</b>		<b>\$11,133</b>	<b>\$8,748</b>	<b>\$19,881</b>	
<b>B7</b>		<b>\$140,904</b>	<b>\$110,711</b>	<b>\$251,615</b>	

# EXHIBIT B-1

## NON-PERSONNEL BUDGET

Bidder: Fund for Guaranteed Income Department: City of Long Beach, Department of Economic Development  
 Program Name: Long Beach Guaranteed Income Pilot Program: Long Beach Guaranteed Income Pilot

Non-Personnel Budget Allocation:		2022			
A1. Type of Expenditure	A2. Account Number	A3. City Share	A4. F4GI Share	A5. Total Cost	A6. Description and Justification
Operating/Technical		\$14,282	\$49,500	\$63,782	Operating costs for payments platform, public website and data dashboard, and admin tools/CRM; monthly direct deposit fees, prepaid card issue fees, and payment notifications to 250 participants; live chat and phone lines for customer service.
Professional and Technical Services		\$257,647	\$162,935	\$420,582	Translations for technology platform and all participant-facing materials into 4 required program languages; program branding & marketing, public-facing website, and social templates; Compensation for community based organizations that consult on program.  Includes contracted personnel costs - Engineering Team, Benefits Counselors, Customer Service Manager and Customer Service Associate (15 people total). City of Long Beach share of the cost of these roles is the same as original budget.
Travel		\$1,500	\$0	\$1,500	Travel costs for F4GI staff and other program staff during program set up, enrollment, launch, and post-program period as needed.
Materials and Supplies		\$4,500	\$0	\$4,500	Event costs such as food, marketing materials, and chairs for 1-2 community events
Equipment		\$0	\$0	\$0	
Other	Indirect	\$41,883	\$32,315	\$74,198	10% Indirect de minimis rate
<b>A7. Non-Personnel Totals</b>		<b>\$319,812</b>	<b>\$244,750</b>	<b>\$564,562</b>	



## BUDGET NARRATIVE (Revised 5-5-23)

### SUMMARY

- **Total Pilot Cost:** \$816,177
- **Total City of Long Beach Share:** \$460,717
- **Total F4GI Share:** \$355,460

The budget for the proposed program is based on F4GI's estimated costs to provide the personnel and services needed to deliver the program. F4GI is charging no portion of overhead costs or indirect expenses for this program, and presents all technology and implementation services at cost to the City of Long Beach, without markups or overhead for profit. Our fee is not structured as a percentage of disbursements paid out during the program, as we do not believe in taking funds meant to go directly to participants.

F4GI programs operate using less than a third of the overhead from other Guaranteed Income pilots, enabling more funds to go directly to program participants and saving the City of Long Beach money. Whereas most implementation partners require multiple subcontractors: a disbursement partner, enrollment partner, and communications organizer, our team provides end-to-end solutions for guaranteed income pilot implementation. Our in-house expertise, proprietary payments platform, and negotiated partnerships allows us to reduce the overall cost of overhead, solve problems internally, and work closely with government partners to make programs successful and affordable.



**A. PERSONNEL**

- **Total Personnel Cost:** \$231,734
- **City of Long Beach Share:** \$129,771
- **F4GI Share:** \$101,963

**Project Director**

- Oversees implementation and management of program. Monitors progress against program goals, and program expenditures against budget. Ensures F4GI complies with all necessary guidelines and requirements.
- Point of contact between F4GI and research team. Assists independent research team with randomized lottery for participant selection.
- Point for technology for the program, including setting up program and ensuring any integrations. Responsible for maintenance of technology platform, including the collection and hosting of secure participant data.
- A portion of the cost of this role is subsidized by the Fund for Guaranteed Income.

**Communications Lead**

- Designs and executes clear, culturally appropriate communications for program participants, partners, and the City of Long Beach including program materials, media campaigns, press releases, social media posts, reports, and more.
- A portion of the cost of this role is subsidized by the Fund for Guaranteed Income.

**Program Associate**

- Supports day to day program implementation, including partner requests, admin and operational work.
- A portion of the cost of this role is subsidized by the Fund for Guaranteed Income.

**B. FRINGE BENEFITS COSTS**

- **Total Fringe Benefits Cost:** \$19,881
- **City of Long Beach Share:** \$11,133
- **F4GI Share:** \$8,748

**Social Security**

The employer and employee tax rate for social security is 6.2%. For 2022, the wage base limit is \$147,000. Social Security is calculated as 6.2% of Total Personnel costs, rounded up to the nearest dollar. The City's Share of this tax for each role is proportional to the percentage of payroll the City is responsible for.

**Medicare**

The employer tax rate for Medicare tax is currently 1.45%. There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax. Medicare is calculated as 1.45% of Total Personnel costs, rounded up to the nearest dollar. The City's Share of this tax for each role is proportional to the percentage of payroll the City is responsible for.

**State Unemployment**

Assuming all employee wages will be subject to CA withholding, State Unemployment is calculated as 3.4% of the first \$7,000 of salary for each position for new employers, and then 0% of payroll after, as instructed by the California Employment Development Department. The City's Share of this tax for each role is proportional to the percentage of payroll the City is responsible for, for that role. All figures are rounded up to the nearest dollar.

**State Workers Compensation**

State Workers compensation is calculated as 0.4% of wages, as instructed by the California Employment Development Department. The City's Share of this tax for each role is proportional to the percentage of payroll the City is responsible for, for that role. All figures are rounded up to the nearest dollar.

**Employment Training Tax**

Assuming all employee wages will be subject to CA withholding, Employment Training Tax is calculated as one-tenth of one percent of the first \$7,000 of salary for each position. The City's share of this tax is apportioned, based on the percentage of Total Personnel Costs that the City is responsible for, rounded up to the nearest dollar.

## C. NON-PERSONNEL COSTS

- **Total Non-Personnel Cost:** \$564,562
- **City of Long Beach Share:** \$319,812
- **F4GI Share:** \$244,750

### Operating/Technical Expenses

- **Total Cost:** \$63,782
- **City of Long Beach Share:** \$14,282
- **F4GI Share:** \$49,500

Operating costs for payments platform, public website and data dashboard, and admin tools/CRM; monthly direct deposit fees, prepaid card issue fees, and payment notifications to 250 participants; live chat and phone lines for customer service.

- **F4GI Portal Fee (\$0):** Monthly fee for the payments portal is \$2,750, waived by F4GI for the City of Long Beach ( $\$2,750 \text{ per month} \times 18 \text{ months} = \$49,500$ ).
- **CRM:** Cost reflects 4 separate logins at \$50/login ( $4 \text{ logins} \times \$50 \text{ per month/login} \times 18 \text{ months} = \$3,600 \text{ total annual cost}$ ).
- **Direct Deposit Fees (\$552):** Cost reflects \$0.25 per user per monthly payment; estimating 70% of monthly transactions will come through this payment option with an additional 5% to account for resent payments ( $250 \text{ users} \times 12 \text{ payments} \times 70\% \times \$0.25 \text{ per payment} \times 1.05 = \$552 \text{ total annual cost}$ ).
- **Prepaid Card issue fees (\$3,908):** Cost reflects card issue fee and one replacement per user at \$3 each, as well as 1.5 \$2 atm fees per monthly payment, with an additional 5% to account for resent payments; estimating 30% of monthly transactions will come through this payment option and includes one-time card setup fee of \$600 for the entire program ( $250 \text{ total users} \times 30\% \times \$42 \text{ annual cost per user} \times 1.05 = \$3,308 + \$600 = \$3,908 \text{ total annual cost}$ ).
- **Payment Notifications (\$540):** Cost is estimated based on participants receiving 4 SMS messages or 4 emails per monthly payment at \$0.0075 per sms and up to 10,000 monthly emails sent. ( $250 \text{ users} \times 4 \text{ messages} \times 12 \text{ monthly payments} \times \$0.0075 \text{ per SMS} = \$90$ ; For Email  $12 \text{ monthly payments} \times \$25/\text{month} = \$450$ ).
- **Live Chat for support (\$2,442):** Cost reflects 3 separate logins and a maximum of 5,000 people reached per month for two enrollment months, and a maximum of 2,000 people reached per month after that ( $\$269 \text{ for 2 months and then } \$119 \text{ for 16 months} = \$2,442$ ).
- **Support phone lines (\$3,240):** Cost reflects 3 separate logins at \$50/month ( $3 \times \$50 \times 18 \text{ months} = \$2,700$ ) plus the cost of 5 phone numbers, one in each of the 4 program languages plus an additional IVR number to act as a phone menu for the other 4 numbers, at \$6 a month ( $5 \text{ phone numbers} \times \$6 \text{ per number/month} \times 18 \text{ months} = \$540 \text{ yearly total cost}$ ).

### Professional and Technical Services Expenses

- **Total Cost: \$420,582**
- **City of Long Beach Share: \$257,647**
- **F4GI Share: \$162,935**

Translations for technology platform and all participant-facing materials into 4 required program languages; program branding & marketing, public-facing website, and social templates; Compensation for community based organizations that consult on program.

Includes contracted personnel costs - Engineering Team, Benefits Counselors, Customer Service Manager and Customer Service Associate (15 people total). City of Long Beach share of the cost of these roles is the same as in the original budget.

- **Engineering Team (\$333,102):** The Engineering Team is responsible for the development of the portal and the public facing site. This team handles front end and back end engineering tasks, as well as UX design and quality assurance regression testing. A portion of the cost of this team is subsidized by the Fund for Guaranteed Income.
  - *Increased engineering cost to account for the higher amount of software development time required for the program (verification, research, etc).*
- **Benefits Counselors (\$2,600):** Temporary hire during enrollment. Ensures application and enrollment processes flag applicants at high risk of benefits loss by identifying any potential loss or reduction of benefits due to program participation. Provides individual benefit counseling to ensure that participants at high risk of benefits loss understand the potential impact of their participation on benefits.
  - *Decreased projected benefits counseling cost now that F4GI has an idea of the number of participants that will need counseling.*
- **Customer Service Manager (\$30,250):** Provides expertise on program's focus populations. Manages advisory council, collecting community feedback. Responsible for end to end participant experience using client and community feedback. Focused on minimizing participant burden throughout the entire duration of the program. Manages Customer Service staff. Responsible for identifying areas of improvement within customer service workflow and providing solutions. Ensures customer service is culturally competent and mitigates barriers for participants.
  - *Decreased City of Long Beach Share of Customer Service Manager Costs.*
- **Customer Service Associate (\$27,830):** During Enrollment: Provides high quality support during enrollment to ensure every participant can successfully enroll in the program and F4GI's technology platform. During Implementation: Provides empathetic, affirming, and professional support to participants, including answering questions about the program and assisting with any payment or platform issues that arise. Escalates issues as needed to Customer Service Manager.
  - *Decreased customer service manager and associate costs now that the customer service needs for the program can be more accurately estimated.*

- **F4GI Payments Portal Translations (\$3,600):** Cost to translate participant support portal (portal to track and manage payments) and content (FAQ, resources page, payment notifications, portal alerts) into English, Spanish, Tagalog and Khmer.
  - *Decreased translation costs by 75% (within professional and technical services category) as F4GI has been able to leverage the City of Long Beach's language access team.*
- **Program Material Translations (\$450):** Cost to translate all participant-facing materials into English, Spanish, Tagalog and Khmer.
- **Communications (\$10,000):** Cost of marketing and branding for program materials, the design and build of the public-facing website, and social media templates.
  - *Decreased communications budget in professional and technical services by \$11,380 to account for more communications work being done in-house by F4GI.*
- **Community Based Organization Partner Compensation (\$15,000):** Cost to compensate Community based organization partners that consult on the program for their time, labor and expertise (15 organizations x 20 hours/organization x \$50/hour = \$15,000).

**Travel Expenses**

- **Total Cost: \$1,500**
- **City of Long Beach Share: \$1,500**
- **F4GI Share: \$0**

Expenses in this category include travel costs incurred by F4GI personnel and other program staff during program setup, enrollment, launch and post-program period, as needed.

- *Decreased travel budget, as travel by F4GI during verification and onboarding was not required.*

**Materials and Supplies Expenses**

- **Total Cost: \$4,500**
- **City of Long Beach Share: \$4,500**
- **F4GI Share: \$0**

Event costs such as food, marketing materials, and chairs for 1-2 community events. Expenses:

- **Event Materials and Supplies (\$4,500):** Basic materials and supplies needed for 1-2 community events (*estimate based on historical average for similar sized events*).
  - *Decreased materials and supplies by the cost of field devices, which were not needed for application or enrollment.*

**Equipment Expenses:** None

**Other**

- **Total Cost: \$74,198**
- **City of Long Beach Share: \$41,883**

- **F4GI Share: \$32,315**

Added 10% indirect de minimis rate to non-personnel costs.

## **D. ADDITIONAL COSTS FOR PROGRAM EXPANSION**

### **Program expansion as described in Section 2.1 of RFP**

F4GI has the organizational capacity to scale the Pilot if additional funding becomes available, including the ability to: increase the number of participants; track separate cohorts of participants; invoice separately based on the funding source; and flexibly modify program elements to meet the requirements of new funding, including record keeping, reporting and audit requirements.

### **F4GI's ability to handle program scaling**

F4GI's agile approach and customizable technology enables us to scale the pilot and modify program elements with ease. Our payment platform's technical architecture is designed for scale, and provides the functionality to invite, onboard, and enroll additional cohorts of participants at any time (with no minimum cohort size). The program start/end date and the total number, frequency, and amount of payments can also be changed for new participants and program notifications dynamically change to fit the participant's payment schedule.

Our admin portal can track separate cohorts of participants accurately and efficiently. Our unique system allows administrators to view new cohorts as completely distinct or as part of an existing cohort. We build out proprietary technology in-house and add features and functionality every two weeks in response to research, feedback, and partner requests. Our admin dashboard, which is at the core of our record keeping and reporting, can flexibly accommodate new requests which F4GI adds to the dashboard.

### **Additional costs**

F4GI will not charge any additional costs to increase the number of participants, track separate cohorts of participants, or invoice based on additional funding sources. F4GI will work with the City of Long Beach to accommodate the need to modify program elements, such as new features of functionality for the payments portal, or new record keeping or reporting requirements. F4GI will attempt to make these changes at no additional cost to the city. If a modification necessitates an additional fee, for example by being sufficiently large or complex, F4GI will make every effort to keep these fees low and will work with the City to find a cost that works for all parties.