

AMENDMENT NO. 2

TO AGREEMENT FOR CONTRACT SERVICES

THIS AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES (“Amendment No. 2”) by and between the CITY OF CARSON, a California municipal corporation (“City”), and CALIFORNIA COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION, a California nonprofit public benefit corporation (“Consultant”), is effective as of the 6th day of October, 2020.

RECITALS

A. City and Consultant entered into that certain Agreement for Contract Services dated May 7, 2020 (“Agreement”) whereby Consultant agreed to provide City various services, including services to process applications for Economic Injury Disaster Loans (“EIDL”), Paycheck Protection Program (“PPP”) loans, or other government or bank sponsored loan applications, including the Carson Small Business Loan Program applications, for the purpose of assisting small businesses that have been negatively impacted by the worldwide Covid-19 pandemic.

B. The Agreement provided for Consultant to process a minimum of 90 EIDL, PPP, or other government or bank sponsored loan applications within 450 hours in consideration for payment of not to exceed \$67,500, which, together with a mobilization and setup fee of \$7,500, comprise a Contract Sum not to exceed \$75,000.

C. On July 7, 2020, City and Consultant entered into an amendment of the Agreement (“Amendment No. 1”) to require Consultant to process a minimum of an additional 100 EIDL, PPP, or other government or bank sponsored loan applications within 500 hours in consideration for payment of not to exceed \$75,000, for a total increased Contract Sum not to exceed \$150,000. However, by the time Amendment No. 1 was executed by the parties, the Agreement, with an expiration date of June 30, 2020, had expired.

D. Now, City and Consultant desire to again amend the Agreement to require Consultant to process a minimum of an additional 50 EIDL, PPP, or other government or bank sponsored loan applications within 500 hours over the period commencing October 6, 2020 until expiration of the Agreement in consideration for payment of not to exceed \$75,000, for a total increased Contract Sum not to exceed \$225,000, extend the Agreement term to June 30, 2021, and expand the scope of services to be provided by Consultant by adding (i) administration of City-funded Small Business Assistance Program and City’s CDBG-funded loan and grant programs, (ii) non-lending services such as the survey of businesses to determine the demand for the United States Economic Development Administration (“EDA”)-funded loan program, and (iii) assistance to secure any EDA grants.

E. Because the time commitment required to process each loan application is lengthier than was originally anticipated by City and Consultant, the City will require Consultant to process fewer EIDL, PPP, or other government or bank sponsored loan applications per hour.

F. Based on the foregoing, City and Consultant now desire and intend to enter into this Amendment No. 2 retroactive to June 30, 2020, and to thereby authorize the provision of the services under the Agreement by Consultant commencing as of said date, and to ratify and affirm Amendment No. 1 and the continuous and uninterrupted term of the Agreement from the effective date of the Agreement until and through June 30, 2021.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text in *bold italics* and deleted text in ~~strikethrough~~).

a. **Section 2.1, “Contract Sum,” of the Agreement is hereby amended to read as follows:**

“Subject to any limitations set forth in this Agreement, City agrees to pay Consultant the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed *Two Hundred Twenty Five One Hundred Fifty* Thousand Dollars (~~\$225,000~~~~\$150,000~~) (“Contract Sum”), unless additional compensation is approved pursuant to Section 1.8.”

b. **The second paragraph of Section I of Exhibit “A,” “Scope of Services,” of the Agreement is hereby amended to read as follows:**

“CCEDA shall process a minimum of ~~175~~ ~~490~~ EIDL, PPP, or other government- or bank-sponsored loan applications, including the Carson Small Business Loan Program applications, within the ~~1,450~~ ~~950~~ hours allotted in this Agreement.”

c. **The section with heading, “Federal Lending Programs” of Task 4: Lending Programs and Assistance of Exhibit “A,” “Scope of Services,” of the Agreement is hereby amended to read as follows:**

“Federal Lending Program

The primary programs CCEDA would focus on are:

- **Paycheck Protection Loans:** The U.S. Small Business Administration (SBA) will guarantee loans with terms of up to 10 years and interest rates of up to 4% to businesses with fewer than 500 employees. Businesses can qualify for loans of up to \$10 million, and the loans will be provided by lenders including banks and credit unions. Eligible businesses can get loan deferment for six months to a year, and the loan may be forgiven if the business maintains its payroll for eight weeks at employees’ normal salary levels. Required certification from businesses for this program includes:
 - Current economic uncertainty makes the loan necessary to support the applicant’s ongoing operations.

- The funds will be used to retain workers and maintain payroll or to make mortgage, lease, and utility payments.
- The applicant has not and will not receive another loan under this program.
- The applicant will provide to the lender documentation that verifies the number of full-time equivalent employees on payroll and the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight weeks after getting this loan.
- Loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.
- All the information the applicant provides in his/her application and in all supporting documents and forms is true and accurate. Knowingly making a false statement to get a loan under this program is punishable by law.
- The applicant acknowledges that the lender will calculate the eligible loan amount using the tax documents they submitted. The applicant affirms that the tax documents are identical to those they submitted to the IRS. And the applicant also understands, acknowledges, and agrees that the lender can share the tax information with the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.
- Expanded access to U.S. Small Business Administration **Economic Injury Disaster Loans**: As part of its disaster assistance program, the SBA is providing working capital loans of up to \$2 million to small businesses and nonprofits affected by the coronavirus. These loans carry an interest rate of 3.75% for small businesses and 2.75% for nonprofits. Loan repayment terms vary by applicant, up to a maximum of 30 years. The stimulus updated the program so that sole proprietors and businesses with fewer than 500 employees qualify, and applicants don't need to provide a personal guarantee on loans under \$200,000. Payments can also be deferred for up to four years.
- *Administration of City-funded Small Business Assistance Program and City's CDBG-funded loan and grant programs.*

Required Documents from Businesses:

- Copy of Credit Bureau Report with Credit Scores from the three primary reporting agencies for all owners of the business with minimum 20% ownership.
- Personal Financial Statement (SBA Form 413) for all owners of the business with minimum 20% ownership interest.

- Federal Personal and business tax returns for the last 3 years (include personal tax returns for each owner with minimum 20% ownership interest in the business).
- Business Financial Statements for year to date (both income statements and balance sheet is Preferred). Schedule of all business assets and liabilities.
- Provide Monthly sales figures beginning 3 years prior to the disaster and continuing through the most recent month available. (SBA Form 1368).
- Written explanation of the amount the owner is seeking and how it will be used. Describe the loss.
- SBA Loan Application (SBA Form 5).
- IRS Form 8821 / 4506-T for each owner with minimum 20% ownership interest in the business.
- **Advance of \$10,000 to SBA Economic Injury Disaster Loan applicants:** Even if a business is denied a loan, they can still access this advance which will be forgiven, which can be used to provide employee sick leave, maintain payroll or meet other needs like paying rent.”

d. Task 5 of Exhibit “A,” “Scope of Services,” of the Agreement is hereby amended to read as follows:

“Task 5: Non Loan Support

As needed, CCEDA will provide a quick assessment of each business’ current situation and assist the business take the following actions while they are working on a loan application:

- **Expense Triage**
 - Review Profit & Loss Statements
 - Help businesses evaluate and understand their finances so they can streamline their business and see where they can reduce/eliminate expenses.
- **Recommend Businesses Cut Unnecessary Expenses**

This includes any subscriptions or memberships that might be unnecessary during this period of financial uncertainty. Cancel anything nonessential the business can survive without.
- **Contacting Vendors**

Advise businesses to review all contracts and make sure they're in contact with their vendors and fully understand the agreements in the event they need to break a contract.

- **Negotiate longer terms**

Discuss with their vendors if they're offering any deferments or payment plan options. Try to come to an agreement that will keep them both afloat.

- **Contacting Service Providers**

- SCE / Utility Company
- Phone

- Maintenance / Landscaping

- Cell Phone provider

- **Contact their Landlord**

Landlords are working with their tenants to extend deferments or pausing rent for a period of time. Make businesses aware of Judicial Council Notice on Commercial Evictions. Recommend businesses stay in communication with their landlord and see if they'd be willing to give them some payment reprieve or deferment.

- **Property Insurance – Active is important!**

If they're temporarily closing their physical business location, make sure that their resources are protected from any economic or environmental disasters. Recommend businesses talk with their provider to review policy and be certain they'll be protected.

- **Have Their Employees Contact EDD and Apply for Unemployment Benefits**

If they do need to temporarily lay off employees, make sure they're aware of unemployment options through the EDD.

CCEDA shall provide non-lending services such as the survey of businesses to determine the demand for the United States Economic Development Administration (“EDA”)-funded loan program, and shall provide assistance to secure any EDA grants.

Evaluation

CCEDA will maintain the following records:

1. All businesses receiving introductory emails and calls
2. All businesses that respond to emails and calls, including business information

3. All business intakes and screening
4. All information requests satisfied
5. All businesses receiving consultant assistance
6. All businesses that submit applications for SBA or other loans

CCEDA will provide the above information to the City with its regular billing.”

e. Exhibit “C,” “Schedule of Compensation,” of the Agreement, is hereby replaced in its entirety with Exhibit “C” of this Amendment No. 2, attached hereto and incorporated herein by this reference.

f. Exhibit “D,” “Schedule of Performance,” of the Agreement, is hereby replaced in its entirety with Exhibit “D” of this Amendment No. 2, attached hereto and incorporated herein by this reference.

2. **Continuing Effect of Agreement.** Except as amended by this Amendment No. 2, all provisions of the Agreement and Amendment No. 1 shall remain unchanged and in full force and effect. From and after the date of this Amendment No. 2, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment No. 2 and Amendment No. 1.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement and Amendment No. 1. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein and Amendment No. 1. Each party represents and warrants to the other that the Agreement, as amended by Amendment No. 1 and this Amendment No. 2, is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment No. 2, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment No. 2, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 2.

5. **Authority.** The persons executing this Amendment No. 2 on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment No. 2 on behalf of said party, (iii) by so executing this Amendment No. 2, such party is formally bound to the provisions of this Amendment No. 2, and (iv) the entering into this Amendment No. 2 does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 on the date(s) set forth below with express intent for this Amendment No. 2 to be effective as of June 30, 2020.

CITY:

CITY OF CARSON, a municipal corporation

Albert Robles, Mayor

Date: October ____, 2020

ATTEST:

Donesia Gause-Aldana, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, City Attorney
(rjl)

CONSULTANT:

CALIFORNIA COMMUNITY ECONOMIC
DEVELOPMENT ASSOCIATION, a California
nonprofit public benefit corporation

By:_____

Name:

Title:

By:_____

Name:

Title:

Address:_____

Date: October ____, 2020

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 2020 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

<input type="checkbox"/> CAPACITY CLAIMED BY SIGNER <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATE OFFICER <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL <input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER _____ SIGNER IS REPRESENTING: (NAME OF PERSON(S) OR ENTITY(IES)) _____ _____	DESCRIPTION OF ATTACHED DOCUMENT _____ TITLE OR TYPE OF DOCUMENT _____ NUMBER OF PAGES _____ DATE OF DOCUMENT _____ SIGNER(S) OTHER THAN NAMED ABOVE
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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

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EXHIBIT “C”
SCHEDULE OF COMPENSATION

I. Consultant shall perform the following tasks at the following rates:

Scope of Service Steps	Estimated Hours of Labor/Budget
Task 1 - Mobilization and Setup. This is requested as an upfront payment. Consultant shall provide receipts and invoices for all third-party costs. Any internal staff costs shall be shown on the invoice and charged against the total contract costs (Contract Sum) and may not be also billed against Task 2.	Not to exceed \$7,500 inclusive of third party costs and staff costs. If this Task is less than \$7,500, those dollars are available for Task 2.
Remainder of Tasks - Loan Applications, Business Assistance and Submittals to SBA, Banks, Non-Bank lenders, or the City of Carson	1,450 950 Hours \$217,500 \$142,500
Total	1,450 950 Hours plus mobilization costs for total of \$225,000 \$150,000

II. This Contract contains a provision that the City will pay the Consultant the sum of \$7,500 “upon execution” of the contract for Task 1. Such payment will be processed in the City’s Tyler Munis Accounts Payable system at execution, and a check will be available at the next check run of the A/P system. Consultant shall process a minimum of 175 ~~190~~ EIDL, PPP, or other government- or bank-sponsored loan applications, including the Carson Small Business Loan Program applications, within the 1,450 ~~950~~ hours allotted in this Agreement. *Without limiting the generality of the foregoing, Consultant shall process a minimum of 50 loan applications within 500 hours over the period commencing October 6, 2020 until expiration of the Agreement in consideration for payment of not to exceed \$75,000.*

III. The City will compensate Consultant for the Services performed upon submission of a valid invoice. Consultant may submit invoices twice per month but the City’s processing time for each invoice is 30 days. Each invoice is to include:

A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.

B. Line items for all other approved reimbursable expenses claimed, with supporting documentation. There is not a separate budget for reimbursable costs, except for those described in Task 1, which payment is advanced to Consultant upon Agreement execution.

C. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

IV. The total compensation for the Services shall not exceed \$225,000 ~~\$150,000~~ as provided in Section 2.1 of this Agreement.

The City will consider, but is not obligated to, enter into an amendment to this Contract to increase the total compensation to Consultant based on the satisfactory performance of the tasks, including but not limited to, reaching the milestones included in Exhibit "A" of the Agreement, it being understood that the milestones are merely aspirational and not obligatory.

V. The Consultant's billing rates for all personnel are as follows:

Consultant Staff (Name)	Title	Hourly Rate
Roberto Barragan	Principal	\$150
Nilima Kapoor	Senior Underwriter	\$150
Others		\$150

EXHIBIT “D”
SCHEDULE OF PERFORMANCE

I. Consultant shall perform all Services timely in accordance with the following schedule (the City may at its sole discretion extend (though not shorten) the below timeline upon written notice to the Consultant):

- **(2020) April 21-April 23** Kick-off meeting with City staff, review of existing city business license contact data, key City staff to be assigned to the application process and action items to be completed.
- **(2020) Apr. 23-May 5** Begin outreach to priority businesses in Carson, then outreach to an expanded list of businesses. Begin business assistance activity. Develop City loan application guidelines, application forms, and background information.
- **(2020) May 4-June 30** Continue outreach to businesses in Carson and business assistance activity. **May 4** Launch City-funded Small Business Assistance Program (Loan/Grant program)
- **(2020) June 1** City to consider extension of Contract based on Consultant’s performance including performance with respect to reaching milestone goals.
- **(2021) June 30** *Continue outreach to businesses in Carson and business assistance activity, including administration of City-funded Small Business Assistance Program and City’s CDBG-funded loan and grant programs.*
- Consultant shall complete all Services by June 30, ~~2021~~2020, which is the date of expiration of the Agreement.

II. The Contract Officer may approve extensions for performance of the Services in accordance with Section 3.2.