

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 8, 2013

CAO File No. 0220-00540-1063

Council File No. 13-1105

Council District: Citywide

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Los Angeles Housing and Community Investment Department dated August 5, 2013; received by the City Administrative Officer on August 23, 2013

Subject: **REQUEST FOR AUTHORITY TO EXECUTE A CONTRACT AMENDMENT WITH PARAGON PARTNERS LTD AND ISSUE A REQUEST FOR PROPOSALS FOR TENANT RELOCATION ASSISTANCE SERVICES**

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### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute a Third Amendment to a Professional Services Agreement (PSA) with Paragon Partners, Ltd. (Contractor). The HCID also requests authority to issue a Request for Proposals (RFP) to solicit applications from individuals and firms for the provision of tenant relocation assistance services upon expiration of the current Contractor's PSA. The purpose of the Third Amendment is to provide additional tenant relocation assistance services by extending the length of the existing contract (C-118561) for four months through April 30, 2014. HCID states that this additional time will allow the Department to complete a new competitive process for a subsequent contract for these services. The contract is funded by the Rent Stabilization Trust Fund with fees paid by landlords removing rental units from the market in accordance with the Los Angeles Municipal Code (LAMC). The Contractor was selected through a competitive process initiated in 2010 (C.F. 10-1013). The total cost of the contract over a three-year period is \$1.5 million with no additional funds being requested at this time. This Office recommends approval of the requests as proposed by HCID with a modification to obtain a Charter Section 1022 determination prior to the release of the RFP. The recommendations comply with the City Financial Policies in that the request is fully funded through special funds and requires no obligation of City General Funds.

#### *Third Amendment*

Housing regulations in the LAMC provide for relocation assistance to tenants who undergo no-fault evictions for reasons such as withdrawal of units from the rental market, demolition, condominium conversion and owner occupancy. The Contractor has several years of relocation service experience helping income-eligible tenants evicted from their rental units for no fault relocate to new housing. Services are provided on an as-needed basis and include the following:

- Providing displaced tenants with a list of vacant and available rental units;
- Providing transportation to tenants who do not own vehicles so that tenants may visit replacement rental units;
- Arranging for ambulance or other special transportation to assist disabled tenants at no cost to the tenant;
- Providing ongoing advisory assistance (referrals to and coordination with community service resources, government agencies and private organizations); and,
- Assisting with negotiating rents and terms with landlords and management companies.

Under the terms of their PSA, the Contractor provides monthly status reports to HCID on the progress of assistance provided to each tenant served. The HCID credits the Contractor with assisting over 1,000 households throughout the City since the PSA was first executed in January 2010. Through the proposed Third Amendment, the Contractor will continue providing tenant relocation services, including those described above, using previously-approved funds. Compensation is made on a reimbursement basis and corresponds with the number of per-rental units assisted. A draft of the Third Amendment is attached to the HCID August 5, 2013 transmittal.

#### *Draft Request for Proposals*

The proposed RFP will maintain current-level services. The submission deadline will be contingent on the date of Council and Mayor approval of this item. The Department will hold a bidders' conference shortly after the release of the RFP. The submission deadline will be approximately three weeks after the RFP release. At this rate of review, HCID expects to transmit the results of the RFP to the Mayor and Council in time for a new contractor to be in place on or near May 1, 2014. The RFP will be posted on the HCID website, on the City's Business Assistance Virtual Network and published in at least one local newspaper.

The RFP stipulates that proposals will only be evaluated if the individuals or firms meet minimum threshold requirements that include the following:

- Demonstrate that they are in good standing with the City, State and other regulatory oversight agencies and compliant with all City contracting requirements;
- Show at least three years of experience completing work of similar scope;
- Provide services in both English and Spanish and provide translation services in other languages as needed; and,
- Demonstrate knowledge of landlord and tenant law with emphasis on relocation.

Individuals or firms must provide information regarding their experience in relocation services, a brief summary of the staff capacity and qualifications and a proposed fee or billing rate schedule. Eligible proposals will be scored on a 100-point scale. The HCID will assemble in-house evaluators with familiarity in the subject areas. The HCID evaluators will review the proposals in accordance with the evaluation criteria identified on Page 5 of the HCID August 5, 2013 transmittal.

It should be noted that release of the RFP requires a Charter Section 1022 Determination. Previously, the Personnel Department identified classifications in the City with the necessary qualifications to carry out certain portions of the work identified in the RFP. In 2010, this Office determined that it is more feasible to contract for services because the work exceeds City staffing availability and because the work is intermittent in nature. A new request for a Charter Section 1022 Determination should be submitted to the Personnel Department and this Office prior to the release of the RFP.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Authorize the Housing and Community Investment Department (HCID) General Manager, or designee, to execute a Third Amendment to Contract Number C-118561 with Paragon Partners, Ltd, for the provision of tenant relocation assistance services Program contractor (contract number C-118561), extending the term of the contract by four additional months, for a total term of 36 months, effective from January 1, 2014 through April 30, 2014, in substantial conformance with the draft contract amendment attached to the August 5, 2013 HCID transmittal, and subject to the review and approval of the City Attorney as to form, legality and compliance with the City's contracting requirements; and,
2. Release the Tenant Relocation Assistance Services Request for Proposals (RFP) in substantial conformance with the draft document included as an Attachment to the August 5, 2013 HCID transmittal (C.F. 13-1105), subject to Charter Section 1022 determination by the Personnel Department and/or the City Administrative Officer, and report to the Mayor and Council with the results and funding recommendations.

## **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. Approval of these recommendations would authorize the Housing and Community Investment Department (HCID) to release a Request for Proposals (RFP) for Tenant Relocation Assistance Services which will be funded with budgeted fees collected from landlords for this purpose. In addition, HCID would be authorized to negotiate and execute a Third Amendment to the contract with Paragon Partners Ltd. to provide relocation services until the RFP process is completed. The recommendations of this report are in compliance with City Financial Policies in that the full cost of these services will be paid through available special fund sources. Any subsequent funding awards and term extensions will be contingent on the availability of continuation special funding.

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