

TRANSMITTAL

0220-00540-1168

TO
The Council

DATE
05/13/16

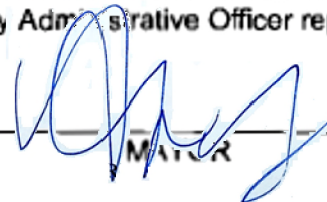
COUNCIL FILE NO.
13-1105

FROM
The Mayor

COUNCIL DISTRICT
Citywide

**Proposed Second Amendment to Contract No. C-123876 with
Paragon Partners, Ltd. for the continued provision of tenant
relocation assistance services**

Approved and transmitted for further processing.
See the City Administrative Officer report attached.



Mayor (Ana Guerrero)

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)




To: The Mayor	Date: 05-13-16	C.D. No. Citywide	CAO File No.: 0220-00540-1168				
Contracting Department/Bureau: Housing and Community Investment Department (HCID)		Contact: Roberto Aldape 213-808-8826 Anna Ortega: 213-808-8551 Valerie Stevens: 213-922-9631					
Reference: Transmittal from HCID dated April 5, 2016; Received by the City Administrative Officer on April 8, 2016.							
Purpose of Contract: To continue to provide tenant relocation assistance services							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Extend contract term by 12 months to commence retroactive to May 1, 2016 through April 30, 2017. Total contract term will be from May 1, 2014 to April 30, 2017.					
Contract/Amendment Amount: 12 months and \$500,000							
Proposed amount \$ 500,000 + Prior award(s) \$ 1,000,000 = Total \$ 1,500,000							
Source of funds: Tenant Relocation Assistance Services will be funded by fees paid by landlords attempting to displace tenants for no-fault evictions							
Name of Contractor: Paragon Partners, Ltd.							
Address: 5762 Bolsa Avenue, Suite 201 Huntington Beach, CA 92649							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employment Oppy./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**	X		
3. Charter Section 1022 findings completed	X			c. Equal Benefits Ordinance	X		
4. Proposals have been requested	X			d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: 0 %				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The General Manager of the Los Angeles Housing and Community Investment Department (HCID) requests authority to execute the proposed Second Amendment (Amendment) to Contract No. C-123876 (Contract) with Paragon Partners, Ltd. (Paragon) for the continued provision of tenant relocation services for the Rent Stabilization Program. The proposed Amendment would extend the contract term by 12 months to commence retroactive from May 1, 2016 through April 30, 2017, and add compensation of \$500,000, for a total term of three years from May 1, 2014 through April 30, 2017 and revised compensation of \$1,500,000. The Amendment is needed to continue utilizing the services of the contractor to provide displaced tenants with relocation assistance services required under the Los Angeles Municipal Code (LAMC). This Office concurs with the HCID's request to execute the proposed Second Amendment to Contract No. C-123876 with Paragon.

BACKGROUND

From 2001 to December 2015, approximately 20,374 rental housing units were removed from the rental market through conversion to condominiums, demolitions, and withdrawals pursuant to the Ellis Act. In 2007, the Council adopted an ordinance to mitigate the effects of displacement on tenants. Pursuant to Council File No. 06-1325, the Council adopted Ordinance No. 178632 that became

 JST Analyst 02160078C	 Yolanda Chavis Assistant CAO	 Guel A. Lopez City Administrative Officer
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effective on May 26, 2007, which amended various sections of the LAMC to create an improved tenant relocation assistance program. This Ordinance created an enhanced rental relocation assistance program in which HCID would contract with a relocation assistance consultant to assist tenants in locating comparable replacement units. Due to the dynamic volume of no-fault tenant displacements, contracting out tenant relocation assistance services is a feasible and efficient method to provide these tenant services.

Pursuant to Charter Section 1022, the Personnel Department Contract Review Report dated May 13, 2013 found that City employees do have the expertise to perform some portion of the scope of work; however, the work assignment exceeds staffing availability. This Office concurs that it is more feasible to contract for tenant relocation services because the work requires specialized knowledge and expertise relating to housing relocation and referral services for low and moderate income tenants. The selected contractor must have specialized knowledge regarding landlord and tenant law with an emphasis on relocation in order to ensure a timely deliverance of services and compliance with LAMC. Paragon was selected through a Request for Proposals (RFP) competitive bid process approved by Council on April 1, 2014 and the Mayor on April 8, 2014.

The current contract term is for one year with two one-year renewal options. The contract's First Amendment, which increased total compensation to \$1,000,000 and extended the term by one year, expired on April 30, 2016. A copy of the draft Second Amendment is attached to the HCID transmittal dated April 5, 2016, which has been forwarded to the City Attorney for concurrent review and approval as to form and compliance with the City's contracting requirements.

CURRENT PERFORMANCE

The HCID has indicated that since October 2007 to February 2016, Paragon has provided assistance to 3,570 households, of which 1,573 households included senior citizen(s), minor dependent children, person(s) with disabilities, and low income tenants through this contract (C-123876). Additionally, relocation assistance totaling approximately \$45 million was obtained for tenants facing no-fault evictions. Approval of this request will allow HCID to provide continuous tenant relocation assistance services without an interruption in services. The HCID has indicated that should the need for a contractor to provide tenant relocation assistance services continue beyond the amendment term, they would request authority to release a new RFP for such services in 2017.

RECOMMENDATIONS

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

1. Authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, to execute a Second Amendment to Contract No. C-123876 with Paragon Partners, Ltd. retroactively extending the term of the contract by one year from May 1, 2016 through April 30, 2017 and increasing compensation by an amount of \$500,000, for a total contract amount not to exceed \$1,500,000, in substantial conformance with the attached draft amendment and subject to the following: a) funding availability; b) satisfactory contractor performance; c) HCID work requirements; d) compliance with all applicable Federal, State and City regulatory requirements; e) approval of the City Attorney as to form; and, f) compliance with the City's contracting requirements; and,

2. Authorize the Controller to:

- A. Establish account 43M208 "Relocation Services Providers Fee" within the Rent Stabilization Fund No. 440, and transfer appropriation as follows:

BFY	Fund Number	Account	Title	Amount
From: 2016	440	43M411	Unallocated	\$500,000
To: 2016	440	43M208	Relocation Services Provider Fee	\$500,000

- B. Expend funds upon proper demand of the General Manager of HCID, or designee; and,

3. Authorize the General Manager of HCID, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions in accordance with funding allocations provided by the Mayor and Council.

FISCAL IMPACT STATEMENT

There will be no impact to the City's General Fund. The proposed Second Amendment to the Tenant Relocation Assistance Services Contract with Paragon Partners, Ltd. is supported entirely by fees paid by landlords. The recommendations in this report are in compliance with the City's Financial Policies in that funding for the proposed contract is available within budgeted funds.