

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 23, 2015

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Council File No. 14-0268

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Housing and Community Investment Department transmittal dated May 8, 2015; received by the City Administrative Officer on May 15, 2015

Subject: **REQUEST FOR APPROVAL OF THE RESULTS OF A REQUEST FOR PROPOSALS (RFP) FOR GENERAL MANAGER HEARING SERVICES**

SUMMARY

The Housing and Community Investment Department (HCID) requests approval of the results of a Request for Proposals (RFP) for General Manager's Hearing Services and authority to negotiate and execute contracts with the following five selected proposers: A.L. Brown & Associates, The ADR Coach, Inc., Beth Rosen-Prinz, Patti Clemens, and Reddock Law Group. The contracts with A.L. Brown & Associates, Patti Clemens, Beth Rosen-Prinz, and Reddock Law Group would have a one-year term from August 1, 2015 through July 31, 2016, with the option to extend the contract for two additional one-year periods, for a total contract term not to exceed three years. The contract with The ADR Coach, Inc. would have a one-year term that would retroactively commence on June 1, 2015, with the option to extend the contract for two additional one-year periods, for a total contract term not to exceed three years. The total available funding for the five contractors is \$180,000. There is no impact to the General Fund. This Office agrees with the recommendations of the Department.

BACKGROUND

The HCID administers General Manager's hearing services for various programs including the Rent Stabilization and Housing Code Enforcement programs. Landlords and tenants may appeal the HCID's decisions with respect to rent increases, and the HCID allows every property owner who is not compliant with the Housing Code an opportunity to contest HCID's enforcement actions at a hearing.

The services to be provided by the contractors are identified in the draft Professional Services Agreement attached to the HCID transmittal dated May 8, 2015. The proposed contractors will be authorized to act on behalf of the General Manager, HCID, to conduct hearings in response to appeals filed with HCID or by the Rent Adjustment Commission. The HCID will maintain the discretionary right to determine the contractors' schedules and hours of work. The HCID states that contractors will be rotated based on operational needs. One of the contractors, ADR Coach, Inc., is currently providing the requested hearings services in order to fulfill a legal obligation of the City and it is requested that the contract has an effective date retroactive June 1, 2015.

Since the 1980s, HCID has utilized contractors to conduct hearings on an as-needed basis for a portion of the Rent Stabilization and Housing Code programs, and the remainder of the hearings were conducted by City staff members. Pursuant to Charter Section 1022, the Personnel Department determined on February 25, 2014, that City employees possess the skills and expertise to perform the work proposed to be contracted. However, this Office determined on June 8, 2015 that the City does not have sufficient personnel with the appropriate expertise, the work proposed to be contracted is intermittent in nature, and it is unlikely that the City would be able to continue the employment of persons hired for these services. Based on this information, this Office recommended that HCID be permitted to contract for these services because the requested General Manager's Hearings services would be performed more feasibly by contract than by City employees.

The HCID initially anticipated the use of a single contractor to provide General Manager's Hearing services; however, due to increases in the number of hearings, the HCID determined that multiple contractors would be required to meet the legally mandated deadlines for the hearings. The five proposers selected through the RFP process would be scheduled on a rotating basis contingent upon availability and the number of hearings that need to be conducted. The total available funding was not increased to accommodate the use of additional contractors.

Request for Proposals (RFP) Process

The HCID released an RFP to solicit proposals for the provision of General Manager's Hearing Services for the Rent Stabilization and Housing Code Enforcement programs. The RFP was advertised on the Los Angeles Business Assistance Virtual Network (LABAVN) and HCID web pages. The requirements for the RFP included, but were not limited to the following:

Proposers were required to:

1. Be qualified to conduct business in the State of California;
2. Have a thorough understanding of the Rent Stabilization Ordinance (RSO), rent adjustments policies, and the Los Angeles Housing Code;
3. Demonstrate experience in performing hearing services for government agencies relating to RSO concerns/complaints, and housing code violations;
4. Show a proposed fee schedule and use of available resources to maximize the efficacy of the delivery of hearings services;
5. Have the ability to produce quality reports based on clear findings of fact and conclusions of law.

The HCID received seven proposals in response to the RFP, and one proposal was deemed ineligible in the preliminary review. The remaining six proposals were evaluated on their own merit for content, responsiveness, conciseness, clarity, relevance, cost, and strict adherence to the instructions of the RFP by a team of HCID staff. The scoring rubric for the evaluation is shown below:

Criteria	Score
Knowledge - Demonstrated knowledge of the Rent Stabilization Ordinance, Rent Adjustment policies, and Los Angeles Housing Code.	20 points
Experience - Demonstrated experience in conducting hearings and rendering decisions and reports on time and on budget.	20 points
Quality - Ability to produce quality reports, as evidenced by submitted writing samples and past performance.	30 points
Budget - The proposed fee schedule and use of available resources to maximize the delivery of hearing services.	30 points
TOTAL	100 points

The table below includes the final average score for each of the six proposers. Beth Rosen-Prinz, Patti Clemens, The ADR Coach, Inc., A.L. Brown & Associates, and Reddock Law Group received the highest scores and are recommended to be awarded contracts.

Applicant	Average Score (100 pt maximum)
Beth Rosen-Prinz	97
Patti Clemens	95
The ADR Coach, Inc.	94
A.L. Brown & Associates	92.5
Reddock Law Group	81.5
Joe Kunkaew	75.5

A five-day appeal period was provided from the date of the letter notifying proposers of their scores. One proposer attempted to appeal the result, but failed to submit proper and timely paperwork as set forth in the guidelines in the RFP, and the appeal was denied.

The total cumulative amount for the contracts is \$180,000 annually, and the funding will be provided by the Code Enforcement Trust Fund (\$171,000) and the Rent Stabilization Trust Fund (\$9,000). Funding will be made available to the contractors based on the services to be provided, final allocation and availability of funds, Departmental need, and final contract approval by the Mayor and Council.

RECOMMENDATIONS

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

1. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:
 - a. Negotiate and execute Professional Services Agreements (PSA) with A.L. Brown & Associates, Beth Rosen-Prinz, Patti Clemens, and Reddock Law Group to provide General Manager's hearing services, for a 12-month term from August 1, 2015, through July 31, 2016, with two 12-month renewal options, for a total annual compensation for all contracts not to exceed \$180,000, in substantial conformance with the draft PSA attached to the HCID transmittal dated May 8, 2015, and subject to funding availability, satisfactory contractor performance, Departmental need, compliance with all applicable Federal, State, and City regulatory requirements, approval of the City Attorney as to form, and compliance with City contracting standards and requirements;
 - b. Negotiate and execute a PSA with ADR Coach, Inc., to provide General Manager's hearing services for a 12-month term from June 1, 2015, through May 31, 2016, with two 12-month renewal options, in substantial conformance with the draft PSA attached to the HCID transmittal dated May 8, 2015, and subject to funding availability, satisfactory contractor performance, Departmental need, compliance with all applicable Federal, State, and City regulatory requirements, approval of the City Attorney as to form, and compliance with City contracting standards and requirements;
 - c. Prepare Controller instructions and make any necessary technical adjustments consistent with the Council and Mayor actions on this matter, subject to the approval of the City Administrative Officer and authorize the Controller to implement these instructions; and,
2. Authorize the Controller to allocate and expend funds upon proper written demand of the General Manager, or designee, on an as-needed basis in an amount not to exceed \$171,000 from Code Enforcement Trust Fund No. 41M, Account 43M229 and \$9,000 from Rent Stabilization Trust Fund No. 440, Account 43M229 (\$180,000 total).

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations of this report comply with City Financial Policies in that the proposed contracts for General Manager's hearing services will be funded entirely by fees.