

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

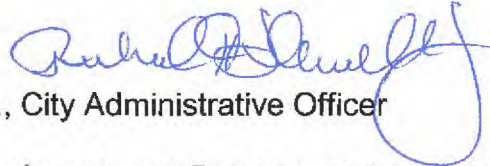
Date: October 17, 2018

CAO File No. 0220-00540-1296

Council File No. 14-0655-S5

Council District: Citywide

To: The Mayor
The Council



From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated September 11, 2018; Received by the City Administrative Officer on September 12, 2018; Additional information received through October 16, 2018

Subject: **REQUEST FOR APPROVAL TO EXECUTE A CONTRACT AMENDMENT WITH 3DI, INC. FOR THE DEVELOPMENT OF A UNIVERSAL NOTICE-OF-FUNDING-AVAILABILITY (NOFA) SYSTEM, TO EXECUTE THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY, THE LOS ANGELES COUNTY DEVELOPMENT COMMISSION (LACDC), AND THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA), AND TO ACCEPT A ONE-TIME TRANSFER IN THE AMOUNT OF \$195,000 FOR THE DEVELOPMENT COSTS OF THAT SYSTEM.**

RECOMMENDATIONS

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

1. Adopt Recommendations I through V in the Housing and Community Investment Department (HCID) transmittal (Report) dated September 11, 2018 relative the authority to develop a Universal Notice-of-funding-availability (NOFA) Online Application System between the City, the Los Angeles County Development Commission (LACDC), and the Housing Authority of the City of Los Angeles (HACLA), subject to the approval and execution of the First Amendment to the contract with 3Di, Inc.; and,
2. Authorize the Controller to:
 - a. Transfer appropriations within Fund 100/43, the source of funds for which is HOME Investment Partnership Program Fund No. 561 (\$41,700) and Low and Moderate Income Housing Fund No. 55J (\$41,700), as follows:

	Acct	Title	Amount
From:	001010	Salaries, General	\$83,400.00
To:	003040	Contractual Services	\$83,400.00

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute a second amendment to the contract with 3Di, Inc. (C-130651) for development of a Universal Notice-of-funding-availability (NOFA) Online Application System between the City, the Los Angeles County Development Commission (LACDC), and the Housing Authority of the City of Los Angeles (HACLA). The HCID reports that the Universal NOFA would address challenges experienced and voiced by developers. The proposed second amendment attached to the related Housing and Community Investment Department (HCID) transmittal (Report) dated September 11, 2018 (C.F. 14-0655-S5) would add \$195,000 to the current agreement expiring December 31, 2019, for a new total of \$2,515,562. The HCID is also requesting authority to accept and expend \$195,000 from LACDC to fund the cost of the system development.

The HCID reports that the City, LACDC, and HACLA will jointly fund the annual maintenance of the Universal NOFA, but the system will be front funded by HCID. According to HCID's Report, 3Di's proposal for the Universal NOFA would include \$83,400 in annual maintenance costs for three years. The HCID expects these maintenance costs to increase 10 percent to 20 percent, which HCID reports, is typical for software license renewal. In order to fund the Universal NOFA, the HCID would utilize \$41,700 from the HOME Investment Partnerships Fund (HOME) and another \$41,700 from the Low and Moderate Income Housing Fund (LMIHF). The HCID will coordinate system development efforts. LACDC and HACLA will reimburse HCID for their portion of the maintenance cost (\$55,600). The remaining \$28,800 contribution from HCID would be split between HOME (\$13,400) and LMIHF (\$13,400). This report includes Controller Instructions for funding the maintenance. Our Office concurs with the Department's recommendations, as amended. The table below summarizes the proposed funding for the contract with 3Di, Inc.

Proposed Funding Per Amendment

Contract Number	Contractor	Original	First Amendment	Second Amendment	Total
C-130651	3Di, Inc.	\$ 1,000,000	\$ 1,320,562	\$ 195,000	\$ 2,515,562

It should be noted that the request to execute the First Amendment to the 3Di, Inc. contract is currently being considered by Council (C.F. 17-0469), and the First Amendment would need to be executed prior to executing the Second Amendment.

The HCID solicited proposals from two qualified vendors with existing program contracts in July, 2017. The Department received a \$195,000 proposal from 3Di, Inc. utilizing their existing cloud software that, HCID reports, has been implemented in at least ten municipalities. Rydek Computer Professionals submitted a \$327,833 proposal to develop a custom solution that, HCID reports, is untested. The HCID selected 3Di's proposal based on both cost and proven functionalities.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund as a result of the recommendations in this report. These recommendations are in compliance with the City's Financial Policies in that a second amendment to the contract with 3Di, Inc. will be fully funded by the HOME Investment

Partnerships Fund, the Low and Moderate Housing Fund, the Los Angeles County Development Commission (LACDC), and the Housing Authority of the City of Los Angeles (HACLA).

RHL:ICS:02190040C