

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 26, 2015

CAO File No. 0220-00540-1130

Council File No. 15-0471

Council District: Citywide

To: Mayor
Council

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

Reference: Housing and Community Investment Department transmittal dated April 10, 2015;
Received by the City Administrative Officer on May 6, 2015

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REQUEST TO RELEASE A REQUEST FOR PROPOSALS AND EXTEND THE TERMS OF THREE EXISTING CONTRACTORS FOR TENANT OUTREACH AND EDUCATIONAL SERVICES FOR THE RENT ESCROW ACCOUNT PROGRAM (REAP) AND UTILITY MAINTENANCE PROGRAM (UMP)**

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to release a Request for Proposals (RFP) to select Tenant Outreach contractors for the Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP). Additionally, HCID requests to extend the terms of the contracts for the three current Tenant Outreach contractors: the Coalition for Economic Survival, the Inner City Law Center, and Inquilinos Unidos; to avoid an interruption in services while new contractors are selected through the RFP process. The current contracts will expire on June 30, 2015 and the proposed Third Amendments will extend the term for each contract by three months, from July 1, 2015 through September 30, 2015, and increase the compensation amount by \$50,000 for each contract. The revised contract terms would be 39 months and the total compensation amount for each contract would be \$365,000. This Office agrees with the recommendations of the Department.

BACKGROUND

In 1988, the Mayor and the Council established REAP to allow tenants of substandard buildings to voluntarily place rents into an escrow account administered by the City in cases where the landlord has refused or failed to correct cited deficiencies. In 1997, the City created an outreach program for REAP and contracted with community-based organizations for the provision of educational and outreach services to tenants that reside in subject buildings, in order to increase the likelihood of their participation in REAP.

Proposed Third Amendments

The current Tenant Outreach contractors for REAP and UMP were selected through an RFP process authorized by the Mayor and Council in June 2012 (C.F. 11-1783) for a contract period from July 1, 2012 through June 30, 2013 with two one-year renewal options to extend the term through June 30, 2015 and a compensation amount of \$105,000 for each contractor. The table below summarizes the history of the contract amendments for the four Tenant Outreach contractors and the proposed third amendments. The HCID states that the City Attorney approves of the contract extension.

Contractor	Original Contract: 7/1/2012 - 6/30/2013	1st Amendment: 7/1/2013 - 6/30/2014	2nd Amendment: 7/1/2014 - 6/30/2015	Proposed 3rd Amendment: 7/1/2015 - 9/30/2015	TOTAL
Coalition for Economic Survival	\$ 105,000	\$ 105,000	\$ 105,000	\$ 50,000	\$ 365,000
Inner City Law Center	105,000	105,000	105,000	50,000	365,000
Inquilinos Unidos	105,000	105,000	105,000	50,000	365,000
Los Angeles Center for Law and Justice	105,000	105,000	105,000	-	315,000
TOTAL	\$ 420,000	\$ 420,000	\$ 420,000	\$ 150,000	\$ 1,410,000

The Los Angeles Center for Law and Justice (LACLJ) is currently a Tenant Outreach contractor for REAP and UMP; however, LACLJ has decided to discontinue the provision of these services beginning July 1, 2015. For the period of the proposed third amendment, the workload and responsibilities of LACLJ will be split between the other three Tenant Outreach contractors.

The CAO completed a Charter Section 1022 determination on May 22, 2015 and found that there are classifications in the City that can perform the work to be contracted; however, the City does not have adequate personnel with the appropriate expertise. In addition the work 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 tenant outreach and education services would be performed more feasibly by contract than by City employees.

Request for Proposal Process

The requested RFP will solicit qualified vendors to provide tenant outreach and educational services for REAP and UMP. The HCID proposes to increase the available funding for the requested RFP from \$420,000 annually to \$600,000 to fund additional contractor staff resources and expand tenant outreach activities.

The RFP will be posted on the Los Angeles Business Assistance Virtual Network (LABAVN) with a link to the RFP on HCID's website and the City homepage, and will be advertised in local newspapers. Current contractors will also receive notification for this RFP. The HCID proposes the execution of new contract(s) with the selected tenant outreach service provider(s) to commence on or about October 1, 2015, for a nine-month period with two optional 12-month extensions, not to exceed a total of two years and nine months, subject to contractor performance, funding availability and approval by the Mayor and Council.

Proposers for this RFP must satisfy the following conditions:

1. Are qualified to conduct business in the State of California and are in good standing with applicable regulatory oversight agencies;
2. Does not have any disallowed or outstanding debts to the City of Los Angeles;
3. Have a minimum of three years of experience performing outreach and educational services for low and moderate income tenants (as individuals or in groups) with respect to landlord/tenant law. Applicants must also have experience related to REAP and UMP;
4. Have the ability to implement an effective tenant outreach program at the beginning of the contract term;
5. Able to offer services in English and Spanish, and arrange translation services for other languages as needed;
6. Have not been determined to be non-responsible or been debarred by the City pursuant to the Contractor Responsibility Ordinance;
7. Have not been debarred by the federal government, State of California or local government;
8. Be in good standing with the California Secretary of State, if a corporation or limited liability company; and,
9. If the proposer has contracted with the State of California or the City of Los Angeles, does not have an outstanding debt that has not been repaid or for which a repayment agreement plan has not been implemented.

Each proposal will be evaluated and scored by HCID staff based on the following criteria:

Evaluation Criteria	
Description	Points
DEMONSTRATED ABILITY: Agency experience and commitment to the tenant outreach program's goals and objectives	40
PROGRAM DESIGN: Quality and creativity of outreach program concepts and strategy	40
RESOURCE ALLOCATION AND DEVELOPMENT: Proposed budget, allocation of costs and effective use of available resources	20
Total Points	100

The HCID will notify all proposers of the results of the proposal evaluations. Applicants may appeal procedural issues only by submitting a letter to HCID within five business days of receiving notification of the RFP results. Appeals will be reviewed by a panel headed by the General Manager of HCID or designee. The Mayor and Council will exercise final authority in the selection of the contractor, as well as the allocation of funds to be awarded through this RFP.

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. Release a Request for Proposals (RFP) for contractor(s) to provide tenant outreach and educational services for the Rent Escrow Account Program (REAP) and Utility Maintenance Program (UMP), in substantial conformance with the draft RFP attached to the HCID transmittal dated April 10, 2015, subject to the approval of the City Attorney as to form;
 - b. Assess the responses of the subject RFP and submit the evaluation results with recommendations to the Mayor and Council, including funding amounts and necessary implementation instructions;
 - c. Execute third amendments to the existing contracts with the Coalition for Economic Survival, Inner City Law Center, and Inquilinos Unidos, to extend the contract term for each contract by three months, from July 1, 2015 to September 30, 2015, and increase the compensation amount by \$50,000 for a total compensation amount of \$365,000 for each contract, in substantial conformance with the draft agreements attached to the HCID transmittal dated April 10, 2015, subject to funding availability, the approval of the City Attorney as to form, and compliance with the City's contracting requirements; and,

- d. Prepare Controller instructions and make 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;
2. Authorize the Controller to: Increase appropriations within the Systematic Code Enforcement Fund No. 41M and Rent Stabilization Trust Fund No. 440 as follows, and expend those funds on an as needed basis upon proper written demand of the General Manager, HCID, or designee:

Fund No.	Account	Account Name	Amount
41M	43K228	Rent & Code Outreach Program	\$142,500
440	43K228	Rent & Code Outreach Program	<u>7,500</u>
		TOTAL	\$150,000

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report comply with City Financial Policies in that the recommended actions are fully funded by the Rent Stabilization and Systematic Code Enforcement Trust Funds.

MAS:NSC:02150112C