

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 24, 2017

CAO File No. 0150-10307-0003

Council File No. 17-0469

Council District: Citywide

To: The Mayor
The Council

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

Reference: Housing and Community Investment Department transmittal dated October 4, 2017;
Received by the City Administrative Officer on October 19, 2017

Subject: **REQUEST FOR AUTHORITY TO EXECUTE FOUR INFORMATION TECHNOLOGY (IT) PROFESSIONAL SERVICES CONTRACTS WITH CONTRACT PROGRAMMER VENDORS SELECTED THROUGH A REQUEST FOR PROPOSALS (RFP) AND TO EXECUTE A SUPPLEMENTAL AGREEMENT WITH RYDEK COMPUTER PROFESSIONALS**

RECOMMENDATIONS

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

1. Amend Recommendation II. 1. of the related Housing and Community Investment Department (HCID) transmittal (Report) dated October 4, 2017 relative to the request to execute four Information Technology (IT) professional services contracts with vendors selected through a Request for Proposals (RFP) process and to execute a supplemental agreement with Rydek Computer Professionals, to also be subject to the review and approval of the City Attorney as to form and legality, and adopt Recommendation II. 1. as amended;
2. Adopt Recommendations II. 2. and 3. of the related Report; and,
3. Authorize the Controller to:
 - a. Increase appropriations in the following funds and accounts as follows:

Fund	Account No.	Account Name	Amount
41M/43	43P143	Housing and Community Investment	\$ 22,775
440/43	43P143	Housing and Community Investment	22,775
TOTAL			\$ 45,550

- b. Increase appropriations within Fund No. 100/43, Account 003040, Contractual Services by \$45,550.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to execute four Information Technology (IT) professional services contracts with the following contractors selected through a Request for Proposals (RFP) process: 1) 3Di, Inc.; 2) Satwic Inc.; 3) Senryo, Inc.; and, 4) SoftHQ, for the provision of contract programming services for the development and maintenance of HCID's business application systems. Each of the four proposed contracts would have a one year term from January 1, 2018 through December 31, 2018, with two 12-month extension options and a total compensation amount not to exceed \$1,000,000. Additional information about the RFP selection process and results can be found in the related HCID Report. The table below provides a summary of the proposed contract compensation by funding source. It should be noted that the breakdown of funding by source fund may shift between contractors throughout the term of the contracts without impacting the overall budget or the maximum compensation amount for each contract.

Summary of Proposed Contract Compensation by Contractor and Source of Funds

Contractor	Fund 100	Fund 440	Fund 41M	Fund 815	Fund 561	Fund 569	Fund 56V	Total
3Di	\$ -	\$ 242,775	\$ 585,275	\$ 42,000	\$ 42,000	\$ -	\$ 87,950	\$ 1,000,000
Satwic	7,300	220,000	220,000	106,000	106,000	-	340,700	1,000,000
Senryo	109,300	280,000	270,000	-	-	-	340,700	1,000,000
Soft HQ	165,300	220,000	220,000	-	-	54,000	340,700	1,000,000
Rydek	906	160,000	160,000	22,000	22,000	96,000	95,000	555,906
Total	\$ 282,806	\$ 1,122,775	\$ 1,455,275	\$ 170,000	\$ 170,000	\$ 150,000	\$ 1,205,050	\$ 4,555,906

Additionally, the HCID requests authority to execute a supplemental agreement with the current vendor, Rydek Computer Professionals (Rydek), so that Rydek can transition several of their current projects to the new contractors and minimize the disruption to HCID business operations as the projects are transitioned during the HCID annual billing season. The proposed supplemental agreement would have a six month term from January 1, 2018 through June 30, 2018 and a compensation amount not to exceed \$555,906. This Office concurs with the recommendations of the Department and added Recommendation 3 of this report to include an appropriations request that was originally included in Department's transfer requests for the First Financial Status Report.

On April 20, 2017, the Personnel Department issued a Contract Review Report that found that while there are existing City classifications that are capable of performing the IT contract services proposed to be performed by contractors, current staff are fully deployed and unable to take on additional projects. On October 10, 2017, this Office conducted a Charter Section 1022 determination and recommended that HCID be permitted to contract for IT contract services as the requested services exceed the City's available staffing, are of limited duration, and additional staff cannot be employed and trained in a timely manner. 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 to perform these services at the completion of the work.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations of this report are in compliance with the City's Financial Policies in that the proposed contracts would be fully funded by grant and fee special purpose funds, and General Fund appropriations included in the 2017-18 Adopted Budget.

RHL:NSC:02180037C