

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 6, 2014

CAO File No. 0220-00540-1090

Council File No. 14-0633

Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Housing and Community Investment Department dated April 21, 2014; Referred by the Mayor and received by the City Administrative Officer on May 14, 2014

Subject: **REQUEST FOR APPROVAL FOR THE HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) TO EXECUTE AMENDMENTS TO CONTRACTS WITH 3Di, INC. AND RYDEK COMPUTER PROFESSIONALS**

SUMMARY

The Housing and Community Investment Department (HCID) requests approval to execute Fourth Amendments to contracts with 3Di, Inc. (C-120168) and Rydek Computer Professionals (C-120169) for the continued provision of on-call information technology (IT) professional services to HCID. The proposed Amendments will increase compensation for Contract C-120168 with 3Di, Inc. by \$400,000 for a total compensation of \$2,190,000 and will increase compensation for Contract C-120169 with Rydek Computer Professionals by \$400,000 for a total compensation of \$1,725,000. The contractors provide support for HCID business systems including the Code Compliance and Rent Information System (CCRIS) and the Housing Information Management System (HIMS). The HCID also requests transfers of appropriations, totaling \$300,000, to fund part of the contract increase. This Office concurs with HCID's requests.

BACKGROUND

Historically HCID has used contract programmers to supplement its IT staff in the development of the Department's business systems. The previous contracts for these services expired in December 2011 and subsequently HCID chose to release a Request for Proposals (RFP) to establish new IT contracts. Through the RFP process HCID selected 3Di, Inc. and Rydek Computer Professionals. The Personnel Department and this Office conducted a Charter Section 1022 review and found that the required IT services could be performed more feasibly by contractors than by City employees.

On January 1, 2012, HCID executed contracts with 3Di, Inc. and Rydek Computer Professionals for IT professional services. The terms of both contracts were for one year, with the option of

renewal for two one-year terms. Since the execution of the original contract with 3Di, Inc., C-120168 has been amended three times resulting in an increase from \$900,000 to the current contract amount of \$1,790,000 and an increase of the contract term through two one-year extensions. Likewise the contract with Rydek Computer Professionals, C-120169 has been amended three times resulting in an increase of the contract amount from the original \$900,000 to the current contract amount of \$1,325,000 and an increase of the contract term through two one-year extensions. Both contracts are due to expire December 31, 2015 and the HCID is currently preparing an RFP to establish new replacement contracts.

The 3Di, Inc. and Rydek Computer Professionals have worked with HCID to develop HIMS and CCRIS. HIMS is a suite of web-based applications that supports the Department's Housing Development operations, which manages a portfolio of about 5,000 loans worth more than \$1 billion and tracks the development of hundreds of projects. CCRIS is also a set of web-based applications that supports the operation of the Systematic Code Enforcement Program (SCEP) and the Rent Stabilization Ordinance (RSO). CCRIS manages code enforcement inspections of approximately 750,000 rental units and tracks Rent Stabilization cases for 500,000 units in the City. The system is also responsible for the billing and collections of SCEP and RSO fees worth over \$50 million annually.

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. Execute the proposed Fourth Amendment to Contract C-120168 with 3Di, Inc. to increase compensation by adding \$400,000, for a total maximum compensation of \$2,190,000, subject to the review and approval of the City Attorney as to form and compliance with City contracting requirements; and
 - b. Execute the proposed Fourth Amendment to Contract C-120169 with Rydek Computer Professionals to increase compensation by adding \$400,000, for a total maximum compensation of \$1,725,000, subject to the review and approval of the City Attorney as to form and compliance with City contracting requirements; and
 - c. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action in this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions.

2. Authorize the City Controller to:

- a. Transfer appropriations within Fund No. 41M, Systematic Code Enforcement Fee, Department 43 as follows:

From:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K411	Unallocated	\$200,000

To:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K412	Service Delivery	\$200,000

- b. Transfer appropriations within Fund No. 440, Rent Stabilization Trust Fund, Department 43 as follows:

From:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K411	Unallocated	\$100,000

To:

<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
43K412	Service Delivery	\$100,000

- c. Expend funds from the above accounts in an amount not to exceed \$300,000 upon proper written demand of the General Manager, or designee, on an as needed basis

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. If the recommendations in this report are approved, funding will be provided from the HCID's Code Enforcement Trust Fund, the Rent Stabilization Trust Fund, the Consolidated Plan, and the Lead Hazard Reduction Program. The recommendations in this report comply with City Financial Policies in that special funds, fees and grants will support the recommended projects.