

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor The Council	Date: 12-09-14	C.D. No. All	CAO File No.: 0150-10307-0000
Contracting Department/Bureau: Housing and Community Investment Department (HCID)		Contact: Mimi Donlin – (213) 744-7234	
Reference: Transmittal from HCID dated October 27, 2014; Received by the City Administrative Officer on November 6, 2014			
Purpose of Contract: Provision of on-call Information Technology Professional Services related to the development of HCID's business systems			
Type of Contract: (X) New contract () Amendment		Contract Term Dates: 12-months from date of execution with two 12-month extension options	
Contract/Amendment Amount: \$1,500,000 (3Di) + \$1,500,000 (Rydek)			
Proposed amount \$1,500,000 (3Di) + \$1,500,000 (Rydek)+ Prior award(s) \$0 = Total \$3,000,000			
Source of funds: Rent Stabilization Trust Fund (\$1,875,000) and Systematic Code Enforcement Trust Fund (\$625,000), Housing Opportunities for Persons with AIDS (\$125,000), HOME Investment Partnership (\$102,260), Municipal Housing Finance Fund (\$102,250)			
Name of Contractor: 3Di, Inc and Computer Professionals Unlimited, Inc. DBA Rydek Computer Professionals			
Address: 717 W. Temple Street, Suite 101, Los Angeles, CA 90012 (3Di); 13636 Ventura Blvd., #410, Sherman Oaks, CA 91423 (Rydek)			
	Yes	No	N/A*
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: %			
			*N/A = not applicable ** Contracts over \$100,000

COMMENTS

The Housing and Community Investment Department (HCID) requests approval to negotiate and execute on-call Information Technology (IT) professional services contracts with Rydek Computer Professionals (Rydek) and 3Di, Inc. (3Di), to hire contract programmers for the development of HCID's business systems. The contracts have a one-year term from the date of execution with an option to extend the contracts for two additional one-year terms. The compensation for each contract will not exceed \$1,500,000 for the first year for a total amount of \$3 million. If the Department opts to lengthen the terms of the contracts past the first year, the contract funding limit may also be increased. This Office concurs with the recommendations of the Department.

BACKGROUND

The HCID currently utilizes contract programmers via existing contracts with 3Di (C-120168) and Rydek (C-120169) to supplement internal IT staff for the development of HCID's enterprise business systems including the Housing Information Management System (HIMS), Code, Compliance and Rent Information System (CCRIS) and the Billing Information Management System (BIMS).

 NSC	Analyst	02150038C	Assistant CAO	 City Administrative Officer
---	---------	-----------	---------------	---

- The HIMS is a suite of web-based applications that support the HCID's Housing Development operations, which manages a portfolio of more than 5,000 loans worth more than \$1.8 billion and tracks hundreds housing development projects. The system also collects housing loan payments worth more than \$30 million annually.
- The CCRIS is a suite of web-based applications that supports the operations of the Systematic Code Enforcement Program (SCEP) and the Rent Stabilization Ordinance (RSO). The CCRIS manages code enforcement inspections of approximately 780,000 rental units and tracks Rent Stabilization cases for 600,000 units in the City.
- The BIMS is an online, web-based, customer interface and portal for property owners to pay their bills, apply for exemptions, print billings and collections related forms, and access their Rent Registration Certificates. The system is responsible for the billing and collections of SCEP and RSO fees worth more than \$50 million annually.

The continued development and enhancement of HIMS, CCRIS and BIMS are critical to HCID's operations. The contract programmers hired through these contracts provide the human resources and technical skills needed to continue to develop HCID's enterprise business systems. Pursuant to Charter Section 1022, the Personnel Department determined on May 30, 2014, that the IT professional services described in this report could be performed more feasibly by a contractor than by City employees due to the intermittent and on-call nature of the work and because the work exceeds staffing availability.

Funding in the amount of \$2,829,520 is included in the 2014-15 Adopted Budget. The amount identified does not exceed the first-year compensation limit of \$3 million, and HCID states that if additional funding is needed, other sources of funds will be identified and amended to the contracts. The funding sources are listed in the recommendations of this report.

Request for Proposals (RFP) Process

The existing contracts with 3Di and Rydek will expire on December 31, 2014. On August 25, 2014, HCID released a Request for Proposals (RFP) for on-call IT Professional Services. The RFP was posted on the Los Angeles Business Assistance Virtual Network (LABAVN), with a link to the RFP also listed on HCID's website and advertised in local newspapers. The HCID received thirteen proposals in response to the RFP. Each proposal was reviewed and scored based on: 1) quality and capability; 2) qualifications of contractor staff; 3) breadth and depth of contractor experience; and 4) costs.

Both 3Di and Rydek received the highest scores (93 and 87 out of 100, respectively) and were recommended by the evaluation team to be awarded contracts. Conversations with HCID, the City Attorney and this Office clarified the process for the selection of 3Di and Rydek. The two firms will comprise a qualified pool from which HCID can choose contract programmers based on the level of expertise required and the scope of work for each project. The process is as follows:

- Scope of work, required skill set and experience for a project are sent to each vendor;
- Project proposals or resumes that match the requirements and cost information are submitted by each vendor; and,
- Submissions are reviewed by HCID and a vendor is selected for the project.

The nine other applicants received letters of non-selection and were invited to pursue future contracting opportunities with the City. One appeal letter was received from Management Applications, Inc. (MAI) and was presented to an Appeals Panel for consideration. The appellant was given five minutes to make an oral presentation via conference call, followed by HCID's response to the appeal and a discussion by the Appeals Panel members. At the conclusion of the hearing the original score awarded to MAI was upheld.

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 negotiate and execute two new contracts with Computer Professionals Unlimited, Inc. dba Rydek Computer Professionals and 3Di, Inc., for the provision of Information Technology (IT) Professional Services in substantial conformance with the Scope of Work and Draft Professional Services Agreement attached to the HCID transmittal dated October 27, 2014, subject to the approval of the City Attorney as to form and legality, and compliance with the City's contracting requirements. The term of each contract is for one year from the date of execution with two one-year extension options. The compensation amount for each contract is not to exceed \$1,500,000;
2. Authorize the Controller to expend funds for the contracts between HCID and Rydek Computer Professionals and 3Di, Inc., from the following sources:

<u>Fund</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
Code Enforcement Trust Fund – No. 41M	43L900	Service Delivery	\$ 1,875,000
Rent Stabilization Trust Fund – No. 440	43L900	Service Delivery	625,000
HOME Investment Partnerships Program – No. 561	43L412	Service Delivery	102,260
Housing Opportunities for Persons with AIDS – No. 569	43L444	Service Delivery	125,000
Municipal Housing Finance Fund – No. 815	43L412	Service Delivery	102,260
<u>TOTAL</u>			<u>\$ 2,829,520</u>

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendations in this report. All funding is derived from grant or special funds which were included in the 2014-15 Adopted Budget for this purpose. The recommendations are in compliance with City Financial Policies in that funding for the proposed activities is available within the identified special funds.

RECEIVED
CITY CLERK'S OFFICE
2014 DEC -9 PM 12:14
BY 570 CITY CLERK
DEPUTY