



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Shola Olatoye
Director, Housing and
Community Development

SUBJECT: Amend Professional Services
Agreements with 3Di Systems

DATE: April 12, 2020

City Administrator Approval

Date: May 6, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Extending The Term Of The Existing Professional Services Agreement With 3Di Systems For The Provision Of Technical Support, Ongoing Maintenance, And Upgrades For The City's Eviction Notice Database And Portal Project By An Additional Three-Years At Twenty-Four Thousand Dollars (\$24,000.00) Per Year For A Total Amount of Seventy-Two Thousand Dollars (\$72,000.00) With An Option To Renew For Two Additional One-Year Terms At Twenty-Four Thousand Dollars (\$24,000.00) Per Year, For A Total Contract Increase Of One Hundred Twenty Thousand Dollars (\$120,000.00) For All Five Years, For A Grand Contract Total Amount Of One Hundred Seventy Thousand Dollars (\$170,000.00).

EXECUTIVE SUMMARY

Adoption of the proposed resolution authorizes the City Administrator or designee to execute an amendment to the existing Professional Services Agreement (Agreement) with 3Di Systems, which has been providing critically needed services to the Housing and Community Development (HCD) Department since January 2020. The Agreement expires July 31, 2021. The proposed resolution will extend the Agreement's term by three years, until July 31, 2024, at twenty-four thousand dollars (\$24,000.00) per year, with an option for two additional years at twenty-four thousand dollars (\$24,000.00) per year, for a total contract increase of one hundred twenty thousand dollars (\$120,000) for all five (5) years. The existing Agreement is in the amount of fifty thousand dollars (\$50,000), and with this increase, the grand total contract amount will be one hundred seventy thousand dollars (\$170,000) for the Project.

Under the Agreement, HCD will receive information technology (IT) services that ensure HCD's Rent Adjustment Program (RAP) staff comply with legal requirements to collect eviction notices, provide the public with access to this information and analyze eviction-related data as the City addresses the housing crisis, exponentially exacerbated due to the COVID-19 pandemic.

The Agreement was entered into on an informal basis. Staff is very satisfied with the services delivered to date. The consultant has scanned over 13,000 eviction notices, designed and built a database to collect notices and capture data for sorting and analysis, and created a public-facing portal for owners to upload notices and for the public to view information about eviction

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notices. To prevent any delays or reduction in RAP's ongoing work to address the affordable housing crisis in Oakland, staff recommends that the City Council extend the term and amount of the Agreement by which HCD receives these essential services and waive the competitive RFP/Q selection process.

BACKGROUND / LEGISLATIVE HISTORY

On December 6, 2019 RAP released a Request for Proposals (RFP) seeking consultants to provide document scanning and data entry of eviction notices received over the course of the prior two years.

The RFP was sent to three firms, following extensive outreach to the Bay Area network of affordable housing professional consultants. Three proposals were submitted, and 3Di Systems was selected for this work based on their experience, description of approach to the work, and pricing.

The City entered into a Professional Service Agreement with 3Di Systems in February 2020 for a one-year term in the amount of \$42,540. An amendment was made in the amount of \$7,460 in March 2021 for additional eviction notices to be scanned and uploaded to the portal.

ANALYSIS AND POLICY ALTERNATIVES

In accordance with the Just Cause for Eviction Ordinance, Oakland Municipal Code (O.M.C.) Section 8.22 Article II, a property owner issuing an eviction notice must submit a copy of the notice to the Rent Adjustment Program, and further, the City is required to report on eviction notices received on an annual basis. Several years ago, due to the escalating volume of notices being issued there was a growing backlog of notices that staff was unable to keep pace in processing. In addition, the existing document repository system was spread across several platforms and was inadequate to sort and analyze the data such that it could be retrieved from these notices.

To alleviate this critical issue, RAP sought out professional services to: 1) scan the backlog of notices, 2) create a cloud-based repository for the notices, and 3) create a public-facing portal for owners to upload their notices and for data captured to be accessible to the public.

Upon selection of 3Di Systems, pursuant to an informal bid process, the vendor carried out the following:

- Scanned approximately 15,000 eviction notices;
- Performed data entry for the scanned eviction notices;
- Developed the eviction portal in accordance with RAP business needs; and
- Provided maintenance, hosting and support of the eviction portal.

As a result of this work, RAP staff can focus on ensuring compliance with the Just Cause for Eviction ordinance knowing that notices are easily scanned into a system that can then generate reports and ensure public access in accordance with the law. In addition, staff can achieve increased efficiencies, such as:

- Creation of a single document repository of eviction notices for RAP
 - Allows easy access of eviction notices
 - Streamlined reporting and search capabilities
- Eviction notices from January 2018 to date are accessible in the portal for internal and external access
- No Fault Eviction (NFE) workflows were developed in the portal for easy access and tracking of NFE notices
- Public-facing functionality allows:
 - Property Owners to upload eviction notices to the portal and view/manage their eviction case on the portal
 - Members of the public can register on the portal and access basic eviction data that is available from the notices

The work completed to date represents significant progress for HCD in its efforts to improve its use of technology to create efficiencies, ensure compliance, and deliver true transparency to the public. Prior to the current vendor commencing this work, staff would routinely work overtime to scan notices into a flawed system but were unable to fully keep pace with the volume of notices. The ability to respond to Public Records Act requests as well as proactively report to the City Council, stakeholders, and members of the public was hindered. The new trajectory created with the 3Di database and portal reflects a core best practice.

The system developed was designed and is hosted by the selected vendor making it impossible to get updates and maintenance from a different vendor. Staff is extremely satisfied with the services delivered to date and recommends continuing with these services as opposed to seeking a new vendor who would then need to rebuild the system.

The work of the 3Di consultants is supervised by the Business Analyst, RAP Manager, and the Deputy Director. Staff regularly consult with IT Department staff for support as well. The City Administrator has determined that these contracts have not and will not result in a loss of employment or salary by any employees.

Waiver of Request for Proposal Requirement

O.M.C. Sections 2.042.A and 2.04.051.A require that the City conduct a competitive Request For Proposal/Qualifications (RFP/Q) selection process for the purchase of any combined information technology products and professional services. Per O.M.C. Sections 2.04.042.D and 2.04.051.B, the City Council may waive the City's competitive RFP/Q competitive selection requirements upon recommendation by the City Administrator and upon a finding and determination that it is in the City's best interest to do so. Staff recommends that the City Council extend the term and amount of the Agreement by which HCD receives these essential services and waive the competitive RFP/Q selection process to prevent any delays or reduction in RAP's ongoing work to address the affordable housing crisis in Oakland. The system was designed and is hosted by the consultant which makes it impractical to switch to a different vendor who would need to rebuild the system. Additionally, the software platform has met expectations and has become critical to the City's ability to collect, report on, and analyze eviction notices.

Alternatives

The City could issue a new RFP for this scope of work. This process would take approximately six months to complete and would require that the database and portal be rebuilt to the specifications of a new vendor who would then maintain, host, and support the new system.

FISCAL IMPACT

HCD has budgeted funds for consulting services in the Rent Adjustment Program Fund (Fund 2413), RAP (89969), Project 1001110.

PUBLIC OUTREACH / INTEREST

No outreach was deemed necessary for the proposed policy action beyond the standard City Council agenda noticing procedures.

COORDINATION

This report and resolution have been reviewed by the Office of the City Attorney and by the Budget Office.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

As mentioned above, the City entered into a Professional Service Agreement with 3Di Systems in February 2020 for a one-year term in the amount of \$42,540, and an amendment in the amount of \$7,460 in March 2021, to create and maintain a cloud-based repository for eviction notices, scan notices into this repository, and create a public-facing records portal. Since February 2020, the consultant has scanned over 13,000 eviction notices, designed and built a database to collect notices and captured data for sorting and analysis, and created a public-facing portal that enables owners to upload notices and the public to view information about eviction notices. Staff is extremely satisfied with the services delivered to date and recommends continuing with these services as opposed to seeking a new vendor who would then need to rebuild the system. Performance parameters defined by the project team in terms of timeline of the deliverables, responsiveness, and ability to accommodate additional scope items were met by 3Di.

SUSTAINABLE OPPORTUNITIES

Economic: Reducing displacement as a result of evictions positively impacts the economics of a community by ensuring that residents with lower incomes can attain economic stability and security, improved quality of life, and increased disposable income. Improving RAP's capacity to carry out its data collection, analysis, and monitoring of eviction notices will result in improved outcomes for the residents for whom the City's Just Cause for Eviction law was designed to serve.

Environmental: There are no environmental opportunities associated with this report.

Race and Equity: African Americans continue to have the highest rate of displacement and remain the most vulnerable community in Oakland's housing crisis. COVID-19 has exacerbated this problem. Improving RAP's capacity to understand the relationship between eviction notices and African American communities, as well as other communities of color will enable it to engage in education, enforcement, and inform future policies in a more targeted manner to achieve positive outcomes in the future.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution extending the term of the existing Professional Services Agreement with 3Di Systems for the provision of technical support, ongoing maintenance, and upgrades for the City's Eviction Notice Database and Portal Project by an additional three-years at Twenty-Four Thousand Dollars (\$24,000.00) per year for a total amount of Seventy-Two Thousand Dollars (\$72,000.00), with an option to renew for two additional one-year terms at Twenty-Four Thousand Dollars (\$24,000.00) per year, for a total contract increase of One Hundred Twenty Thousand Dollars (\$120,000.00) for all five years and, for a grand contract total cost of One Hundred Seventy Thousand Dollars (\$170,000.00).

For questions regarding this report, please contact Maryann Leshin, Deputy Director, HCD, at 510-238-6225.

Respectfully submitted,



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