RESOLUTION AUTHORIZING THE PRESIDENT AND CEO OR DESIGNEE TO EXECUTE A CONTRACT WITH YARDI, INC., FOR AN INITIAL TWO-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS FOR RENEWAL FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $2,600,000 FOR SOFTWARE LICENSING, HOSTING, CONSULTING, TRAINING, MAINTENANCE AND TECHNICAL SUPPORT

Douglas Guthrie,  Luis Yataco,  
President and CEO  Information Technology Director

Purpose: Authorize the President and CEO to execute a contract with Yardi, Inc. (“Yardi”), for an initial two-year term with three (3) one-year options for renewal for a total contract amount not-to-exceed $2,600,000 for software licensing, hosting, consulting, training, maintenance and technical support services (“Services”)

Regarding: HACLA procured its current contract with Yardi through Board of Commissioners (“BOC”) approval by Resolution No. 9242, on December 17, 2015. The contract is set to expire at the end of December 2020.

Issues: The Voyager software program from Yardi is the standard tenant and property management application for the Authority. Voyager is used by the Asset Management and Housing Services Departments to provide services to over 9,000 families. This application supports critical business functions such as application processing, tenant accounting, the waitlist, work orders, inspections, rent and utility statements, self-service internet portals, mobile applications, etc.

Information Technology, Asset Management and Housing Services staff have determined that continuing to utilize Yardi’s software is in the best interest of HACLA at this time. Maintaining Yardi’s software licensing, hosting, consulting, training, maintenance and technical support services is essential to incorporate updated software releases, critical patches and regulatory updates. These releases help maintain the optimal operation of the application and keep it current by applying enhancements that improve user experiences and compliance mandated by changes required under federal regulations. Moreover, the migration to a new application platform would be unnecessarily costly, disruptive to HACLA’s business operations and provide no foreseeable benefits or additional user experience utilities or enhancements justifying migration to a new platform at this time.
During the last few years HACLA has benefited from the additional functionality that Yardi has offered in its platform. Online payment options, enhanced self-service portals and mobile apps have proven to be essential tools to address the need to enhance the client/tenant experience and gain operational efficiencies. In the coming years, and as part of Yardi’s software development roadmap, HACLA looks to gain from releases which will include operational dashboards, business intelligence and workflows. These will facilitate operational improvements by increasing visibility into asset performance data and reduce the time to address operational performance issues. Furthermore, Voyager will also be part of HACLA’s efforts to integrate all major platforms with our Contact Center and Document management technologies.

Procurement:

The U.S. Department of Housing and Urban Development (HUD) permits housing authorities to purchase common goods and services that are routine in nature under competitively awarded contracts entered into by other public agencies through a procedure called “cooperative purchasing” to realize greater economy, efficiencies and reduce costs. The Authority desires to utilize Contract No. GS-35F-0731P (“Contract”), Schedule 70 of the General Services Administration (“GSA”) via a cooperative purchasing method with Yardi for the procurement of such Services. The GSA contract is effective through August 2024 and will be subject to renewal.

As noted above, migration to a new application platform at this time would be unnecessarily costly and unjustifiably disruptive to HACLA’s business operations so utilizing the GSA contract with Yardi will help HACLA realize greater economy, efficiencies, reduce costs.

Vision Plan: People Strategy #2: Action 2.3: Look for technology opportunities to improve communication and engagement with all residents.

People Strategy #6: Action 6.3: Develop a mobile app for HACLA service needs and FAQs, as well as additional information such as work order status…and other important announcements.

Yardi’s Rent Cafe online portal allows for applicants to update contact and eligibility information and residents to update contact information, submit non-emergency work orders, and online payments. The introduction of the Mobile Maintenance app and the inspection module (deployment currently delayed due to COVID-19) has allowed for a paperless Work Order system. The introduction of the new Compliance module will allow for applicants to complete their eligibility determination certification and for residents to submit their annual income determination review and/or interim certification applications and documents via the on-line portal.
Pathways Strategy #2: Action 2.3: Develop property management systems to ensure management is consistent, supported, and runs effectively.

With the introduction of the Mobile Maintenance App, paper work orders are now eliminated. Maintenance staff can, via the Mobile Maintenance app, photograph pre and post work completed, close work orders immediately upon completion, enter new work orders on items they see in units or on the property without having to "call" it in. Once implemented, the inspection module will allow for paperless documentation of inspections of units.

Additionally, Voyager provides Managers and Maintenance Supervisors a series of analytic reports that allow them to monitor performance of staff in assigned tasks as well as overall site performance indicators.

Pathways Strategy #5: Action 5.2: Conduct evaluation of current Emphasis Elite and Yardi Voyager systems to improve system alignment and integration.

In 2019, S8, AM, HS, Finance and Information Technology Departments completed the evaluation of the feasibility of providing property management and client/tenant focused services with one technology platform. Customer service capability, operational efficiency, ease of use, additional functionality and long-term benefits for HACLA were part of the software and vendor evaluation. The results of the evaluation show that the migration to a single platform would not best address HACLA's operation needs.

Given the current maturity of their software, neither platform, Elite or Voyager, can suitably meet all the needs of HACLA's extensive and multi-faceted operations. Both are considered best-of-breed applications for separate lines of business: Elite for Section 8 and Voyager for Property Management, and although both platforms have made inroads in extending their functionalities and offerings to suit all the needs of a single Housing Authority, there is much room for improvement. The development roadmap for both platforms is very promising as more functionality and modules are promised with future upgrades and releases. Thus, the evaluation of both platforms will be a continual process over the coming years taking in consideration the improvements made by either vendor with future releases.

Pathways Strategy #5: Action 5.4: Identify and evaluate opportunities to manage and reduce walk-in traffic by digitizing manual, paper-intensive business processes.

Voyager provides applicants and clients additional options to comply with program requirements including submission of documents for rent reexaminations, work order submission and payment options. The new Compliance module will allow applicants and residents to complete eligibility and recertification via an on-line module. Additionally, Yardi also provides the Walk-In Payments (WIPs) system which 41% of residents
utilize monthly to submit rent payments.

Pathways Strategy #6: Action 6.3: Improve evaluation tools for individual, department, and programmatic performance measurements.

Voyager provides Managers, Maintenance Supervisors and Housing Services Administration a series of analytic reports that allow them to monitor performance of staff in assigned tasks as well as overall site performance indicators including those related to HUD's Public Housing Assessment System (PHAS).

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: This software will support the operational needs of both the Public Housing and Rent Subsidy portfolios and will be funded through operating revenue from each program.

Budget and Program Impact: Over the 5-year term, total anticipated costs are $2.6 million, which includes a 5% annual escalator for each service component. As between the two programs, costs are split approximately 55% and 45% between the Public Housing and Rent Subsidy programs respectively. Funds are available and included in HACLA’s 2021 operating budget and will be budgeted as needed in subsequent years.

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Section 3:

Yardi has been a strong supporter of HACLA’s Section 3 Program since 2016. To date, they have contributed tens of thousands of dollars toward the Section 3 Fund, and most recently, donated $6,000 for the 2020 KPI (now “Build Hope, Inc.”) Scholarship Awards. Yardi will continue its commitment to the Section 3 Program and has agreed to continue providing Section 3 Fund contributions in accordance with Housing Authority’s Section 3 Guide and Compliance Plan.

Hiring, subcontracting and other economic opportunities for Section 3 Residents and Businesses are not feasible because of the nature of the
work, geographic location and other factors. Yardi’s contribution to the Section 3 Fund will be used to generate economic opportunities for Section 3 Residents.

**Attachment:** Resolution
RESOLUTION NO._______

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH YARDI, INC., FOR AN INITIAL TWO-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS FOR RENEWAL FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $2,600,000 FOR SOFTWARE LICENSING, HOSTING, CONSULTING, TRAINING, MAINTENANCE AND TECHNICAL SUPPORT

WHEREAS, the Housing Authority requires software licensing, consulting, continued maintenance and technical support services (“Services”) that otherwise cannot be provided by regular employees of the Housing Authority;

WHEREAS, in 2015, the Board of Commissioners, by Resolution No. 9242, approved the President and CEO to execute a contract with Yardi, Inc. (“Yardi”) for an amount not-to-exceed $2,000,000 through December 2020 for the Services which support the operations of the Asset Management and Housing Services Department;

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) permits housing authorities to purchase common goods and services that are routine in nature under competitively awarded contracts entered into by other public agencies through a procedure called “cooperative purchasing” to realize greater economy, efficiencies and reduce costs;

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith which include realizing greater economy, efficiencies, reducing costs and avoiding business disruption, the Housing Authority desires to utilize Contract No. GS-35F-0731P, Schedule 70 of the General Services Administration (“GSA”) via a cooperative purchasing method for procurement of the Services; and

WHEREAS, funds have been approved by the Chief Administrative Officer and are included in the Authority’s 2021 operating budget and the remaining funds will be included in subsequent years as necessary.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners authorizes the President and CEO, or designee, to execute a contract with Yardi, Inc., for an initial two-year term with three (3) one-year options for renewal for a total contract amount not-to-exceed $2,600,000 for software licensing, hosting, consulting, training, maintenance and technical support.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:     HOUSING AUTHORITY OF
JAMES JOHNSON     THE CITY OF LOS ANGELES

BY: __________________________  BY: __________________________
    DESIGNEE                   CHAIRPERSON

DATE ADOPTED: __________________________