Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Antoinette Pietka	2. Telephone No. 3-2394	3. Bureau/Office/Dept. 157/500 PHB
4a. To be filed (hearing date): September 14, 2011	4b. Calendar (Check One) Regular ☒ Consent ☐ 4/5ths ☐	5. Date Submitted to Commissioner's office and FPD Budget Analyst: August 31, 2011
6a. Financial Impact Section: ☒ Financial impact section completed		6b. Public Involvement Section: ☒ Public involvement section completed

1) Legislation Title:
*Authorize a contract with Housing Development Services, Inc. in an amount not-to-exceed $1,120,000 for a housing and development core software system (Ordinance)

2) Purpose of the Proposed Legislation:

The Portland Housing Bureau wishes to invest in a centralized system that will support its business requirements and provide a single source of program data.

On July 1, 2010 the City of Portland Housing Bureau (PHB) replaced the Bureau of Housing and Community Development (BHCD) and incorporated the housing development and finance functions formerly at the Portland Development Commission (PDC). As an interim solution to meet the merger date, the new Portland Housing Bureau received the housing applications (MITAS, Encompass, Asset Management Portal, and an inventory of access databases) formerly in place at the Portland Development Commission (PDC).

As part of the merger arrangement, the MITAS application continued to be owned and maintained by PDC, while PHB contracted with PDC for use of MITAS and Information Technology support. The strength of this solution has grown tenuous over the past year as PDC underwent a financial systems consolidation and no longer uses the MITAS application.

On December 6, 2010 PHB solicited a Request for Proposal (RFP) for an Affordable Housing and Development Core System. The proposal sought to engage contractors with demonstrated experience in implementing and maintaining a configurable hosted system for Affordable Housing and Community Development agencies. As a key requirement of the RFP, any proposed system needed to excel at providing consistent and accurate reporting.

Three proposals were received, including a proposal from MITAS. After a thorough evaluation, the RFP Evaluation Team recommended an award to Housing Development Software (HDS), located in Weston, Florida. After performing reference checks and developing a detailed Statement of Work, on February 7th PHB notified HDS that they were our top-ranked proposal

and invited them to contract negotiations. Negotiations began on February 10, 2011 and have continued into August, 2011.

PHB plans to present the HDS project before the Citizen Information Technology Oversight Committee (TOC) to review critical project milestones once the TOC has been established. Project implementation will begin in October 2011 and will continue into March 2012. The HDS project will be staffed with two project managers – Kathy Steen, a consultant from Triad Technology serving as the City PM, and a PM from the software vendor, HDS. The City's PM will hold primary responsibility for the success of this project and is considered the overall Project Manager.

PHB has contracted with TEK Systems to provide quality assurance services for the HDS implementation project, including independent review to the TOC. The duration for QA services is expected to be 6 – 9 months.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

☒ City-wide/Regional   ☐ Northeast   ☐ Northwest   ☐ North
☐ Central Northeast   ☐ Southeast   ☐ Southwest   ☐ East
☐ Central City
☐ Internal City Government Services

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

NA

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)*

The total acquisition cost for Housing Development Software is $352,500. Implementation costs for the project are $302,450. After implementation, the ongoing hosting and maintenance of the software will average $80,000 per year. PHB current system hosting costs total $227,168. Hosting for MITAS is $172,025 through the interagency with PDC and an additional $55,143 goes to BTS for hosting and maintenance of TRACS/AMANDA.

Funding for the project is available this fiscal year and next in the PHB budget as $530,450 Housing Investment Fund, $200,000 HOME, and anticipated savings of approximately $227,000 from Intergovernmental agreements with PDC, BTS, and OMF.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (*If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.*)

  We have eliminated one Business Systems Analyst in anticipation of efficiencies to be gained from the new HDS software system.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**

  No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

NA

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

        ☒ **YES**: Please proceed to Question #9.

        ☐ **NO**: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

    a) What impacts are anticipated in the community from this proposed Council item?

Investing in a core system that will support PHB business requirements and provide a single source of program data will improve the Bureau's ability to be accountable and transparent to the public. The Bureau's current IT environment is very fragmented, which makes business processes and reporting very time-intensive.

    b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

PHB participated in the Bureau of Purchasing Minority Evaluator Program (MEP) as part of its RFP for an Affordable Housing and Development Core System. A minority evaluator participated on the selection committee and provided valuable feedback and expertise.

The company selected for the RFP award, Housing Development Software, is a minority and woman-owned business located in Weston, Florida.

PHB plans to present the HDS project before the Citizen Information Technology Oversight Committee (TOC) to review critical project milestones once the TOC has been established. Project implementation will begin in October 2011 and will continue into March 2012.

This project is also reflected in the PHB Strategic Plan as an internal organizational improvement. The Strategic Planning process included a broad variety of internal and external stakeholders, who provided input about the direction and strategies of PHB, including systems and data improvement.

    c) How did public involvement shape the outcome of this Council item?

The Minority Evaluator Program (MEP) participant played an influential role in the selection of the Housing Development Software as a technology solution for PHB's business needs. Also, in anticipation of the expectations of the Technology Oversight Committee, PHB has contracted with TEK Systems to provide quality assurance services for the HDS implementation project, including independent review to the TOC. The duration for QA services is expected to be 6 – 9 months.

d) Who designed and implemented the public involvement related to this Council item?

The public involvement related to this Council item is designed by City Council and the Office of Management and Finance.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Antoinette Pietka, Senior Management Analyst, 823-2394, antoinette.pietka@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Future public involvement will be necessary and will be through the Department of Housing and Urban Development, as part of the Action Plan reporting requirements.

Margaret Van Vliet	*Jacob Tyl for MSV* 8·30·11

BUREAU DIRECTOR (Typed name and signature)