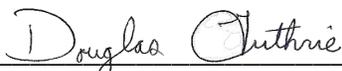**REPORT OF THE PRESIDENT AND CEO**                    **January 28, 2021**

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH HYLAND SOFTWARE, INC., FOR AN INITIAL TWO-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS FOR RENEWAL FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $1,800,000 FOR SOFTWARE LICENSING, HOSTING, CONSULTING, TRAINING, MAINTENANCE AND TECHNICAL SUPPORT**

_Douglas Guthrie_

Douglas Guthrie,
President and CEO

_Luis Yataco_

Luis Yataco,
Information Technology Director

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**Purpose:**  Authorize the President and CEO, or designee, to execute a contract with Hyland Software, Inc. ("Hyland"), for an initial two-year term with three (3) one-year options for renewal, for a total contract amount not-to-exceed $1,800,000, for software licensing, hosting, consulting, training, maintenance and technical support services ("Services").

_Regarding_**:**  By Resolution No. 9628 adopted September 24, 2020, the Board of Commissioners authorized the President and CEO, or designee, to award and execute a contract with Hyland Software, Inc. ("Hyland"), for the Services following a federally-compliant procurement process in an amount not to exceed $700,000 (the "Original Contracting Amount"). Due to an expansion of the Services including hosting services, the Original Contracting Amount has proven insufficient to secure the Services through Hyland as desired and the Board of Commissioners is now being requested to authorize execution of a contract with Hyland for the Services in a total contract amount not-to-exceed $1,800,000.

**Issues:**  The Housing Authority of the City of Los Angeles ("Authority") has used OnBase to support the document management needs of the Section 8 Department since 2010, and now plans to expand OnBase to all other Departments. A detailed needs assessment was conducted in 2020 to identify additional functionality for Section 8 and useful functionality for other Departments.

_Agency-wide EDMS_
Expanding OnBase beyond the Section 8 Department will allow the centralization of all Authority documents into a single document repository. Currently, the Authority has an extensive list of document types that are processed manually and stored in paper form in various locations (offices, cubicles, outside storage, etc.). Additionally, there are also documents that are scanned and saved in disparate digital file storage locations and in

enterprise databases such as Voyager (Public Housing, Asset Management), Elite (Section 8), EBS (Finance, Human Resources, Legal, General Services) and in Outlook documents. These documents include invoices, eligibility documentation, contracts, etc. Expanding OnBase will drive the centralized digitalization of paper forms and provide a more efficient tool to locate and manage the distribution of the Authority's documents from various systems for all Departments.

An agency-wide EDMS will establish visibility, better retrievability, and governance of the Authority's documents. With greater visibility over all major document types, additional metrics could be tracked and reports produced regarding the Authority's documents (e.g., reduction and/or growth over time, number of documents required for various business processes, processes with incomplete documentation, etc.). Moreover, the governance of these documents from a single system could be leveraged to configure the retention of documents to help ensure adherence with the Authority's Record Retention and Disposition Policy and related retention schedules.

### *More than Document Management*
Due to client expectations and demand, traditional document management systems have evolved into content services platforms which address the need to integrate documents from various input sources and to provide hosting services. OnBase is now a content services platform and it is used by major government agencies including housing authorities.

### *Multi System integration*:
The Authority plans to integrate OnBase into business processes that are conducted in Elite, Voyager, EBS and Outlook. Hyland products and OnBase add-ons such as Application Enabler and Outlook integration will be configured at key steps of major business processes. During the term of the contract, integration with other pdf management applications such as DocuSign and Adobe Sign will also be explored to manage the collection of digital signatures and approvals into a centralized platform.

### *Hosting and availability:*
The Authority desires to leverage Hyland's cloud services to gain greater access and performance. Having OnBase hosted on Hyland's cloud will make it more accessible for staff to view and process documents using the devices they have for teleworking. The hosted OnBase environments will be managed directly by Hyland's staff and they will be able to directly address any performance issues in addition to applying major system updates, patches and fixes.

**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 OMNIA Partners Contract No. 190904 ("OMNIA Contract"), via a cooperative purchasing method with Hyland Software, Inc., for the procurement of such Services. The OMNIA Contract is effective through December 31, 2022, for an initial contract term and subject to renewal through December 31, 2024. Procuring OnBase through the OMNIA Contract allows the Authority to harness the purchasing power of the OMNIA Partners purchasing cooperative and realize substantial costs savings. In addition, Migration to a different application platform at this time would be unnecessarily costly and unjustifiably disruptive to the Authority's business operations. Utilizing the OMNIA Contract will help the Authority realize greater economy, administrative efficiencies, and reduce both procurement and operational costs.

**Vision Plan**: ***Pathways Strategy #5: Action 5.3***: Identify and evaluate the Authority's current processes across business lines for "automation gaps" and systems bottlenecks to expand usefulness of technology to handle current manual processes and increase productivity (e.g., automated procurement, HR and payment approvals, cloud based data systems, etc.).

*From Paper to Digital Document Handling:* Digitalization of paper-based client and tenant files will be extended to multiple departments to reduce the use of paper documents and expedite workflows associated with intake processes, along with annual and interim certifications. Hyland's products identified for this effort are Unity Client and Unity Forms.

*Digital Document Enabled Business Processing:* Current business processes for inter-departmental requests which include attachments often sent via email as support documentation or require the circulation of hard to use digital forms will be improved by the integration of OnBase for document handling. Hyland's products identified for this effort are Application Enabler, Outlook Integration and Workflow.

*Document Sharing, Versioning and Searching:* The centralization of digital files into a single repository will give greater access and version control to departments that share important documents such as contracts, memos, support documentation, invoices, etc. It will also allow staff to access the latest version of departmental policies, protocols and procedures. Hyland's products identified for this effort are Full-Text Search, and Document Knowledge Transfer and Compliance.

*Document Retention*: Varied departmental document retention practices will benefit from central administration practice which can help standardize the adherence to multiple retention cycles reducing the need for replicated efforts across departments. Hyland's products identified for this effort are Records Management and Retention.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:*

Funding for the first year of the agreement will be from the Authority's CARES Act award as authorized under Resolution 9628. For the second through fifth years, this software will support the operational needs of the entire agency and will be funded through operating revenue from various programs.

*Budget and Program Impact:*

Over the 5-year term, the total anticipated costs are $1.8 million. Funds are available and included in the Authority's 2021 operating budget and will be budgeted as needed in subsequent years.

| Services | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Hosting, Software and Technical Services | $152,000 | $278,000 | $278,000 | $278,000 | $278,000 |
| Implementation Services | $248,000 | $72,000 | $72,000 | $72,000 | $72,000 |
| Total | $400,000 | $350,000 | $350,000 | $350,000 | $350,000 |

**Section 3:** Hyland Software Inc. has been a strong supporter of HACLA's Section 3 Program since 2015. To date, they have contributed thousands of dollars toward the Section 3 Fund. Hyland Software 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 due to the nature of the work, geographic location and other factors. Hyland'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 HYLAND SOFTWARE, INC., FOR AN INITIAL TWO-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS FOR RENEWAL FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $1,800,000 FOR SOFTWARE LICENSING, HOSTING, CONSULTING, TRAINING, MAINTENANCE AND TECHNICAL SUPPORT**

**WHEREAS,** the Housing Authority of the City of Los Angeles ("Authority") requires software licensing, hosting, consulting, training, maintenance and technical support services ("Services") that otherwise cannot be provided by regular employees of the Housing Authority;

**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 OMNIA Partners Contract No. 190904, ("OMNIA Contract"), via a cooperative purchasing method for procurement of the Services;

**WHEREAS**, by Resolution No. 9628 adopted September 24, 2020, the Board of Commissioners authorized the President and CEO, or designee, to award and execute a contract with Hyland Software, Inc. ("Hyland"), for the Services following a federally-compliant procurement process in an amount not to exceed $700,000 (the "Original Contracting Amount");

**WHEREAS**, the Original Contracting Amount has proven insufficient to secure the Services through Hyland and the Board of Commissioners now desires to approve execution of a contract with Hyland for the Services in a total contract amount not-to-exceed $1,800,000; and

**WHEREAS**, funds have been approved by the Chief Administrative Officer and are included in the Housing 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 Hyland Software, Inc. for the Services for an initial two-year term with three (3) one-year options for renewal for a total contract amount not-to-exceed $1,800,000.

**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:_____
    GENERAL COUNSEL                  CHAIRPERSON

DATE ADOPTED: _____