

RESOLUTION NO. 79-2011

Adopted June 21, 2011

AUTHORIZING A THIRD AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH ELATION SYSTEMS, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$199,500, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,075,900, AND TO INCREASE THE TERM BY 1 YEAR WITH TWO 1-YEAR EXTENSION OPTIONS FOR A TOTAL TERM OF 6 YEARS, TO PROVIDE FOR ANNUAL LICENSING FEES AND CONTINUED DEVELOPMENT, TECHNICAL SUPPORT, AND TRAINING FOR THE AGENCY'S WEB-BASED CONTRACT AND LABOR COMPLIANCE SYSTEM

BASIS FOR RESOLUTION

1. On January 10, 2006, the San Francisco Transportation Authority issued a Request for Proposals for a web-based Labor Compliance System and two proposals were received. On May 15, 2006, contracts were awarded to Elation Systems, Inc. ("Elation") and LCPtracker. Several City departments including the Redevelopment Agency of the City and County of San Francisco ("Agency") began to use LCPtracker and Elation Systems, with the intent to administer a year-long pilot program that would give the City and County of San Francisco ("City") an opportunity to test both systems. This was consistent with the goal of the Construction Contracting Improvements Working Group, whose task is to make contracting requirements consistent city-wide.
2. In 2008, after gaining extensive experience using both systems, the City and the Agency awarded the contract exclusively to Elation. Use of the system has made work flow quicker and more efficiently, has provided the City and the Agency with real time workforce data and a timely response to labor standards/certified payroll issues on construction sites. The City's contract with Elation is currently administered by the Office of Labor Standards Enforcement ("OLSE") to whom the Agency pays an annual fee of Thirty Thousand Dollars (\$30,000) for the licensing rights to utilize the Labor Compliance and Certified Payroll ("CPR") monitoring system.
3. On September 2, 2008, by Resolution No. 99-2008, the Agency Commission approved a separate Personal Services Contract ("Contract") with Elation in the amount of \$200,000 to consolidate its numerous contract compliance related Microsoft Access databases into one interactive and secure platform. The Agency now has the capacity to analyze data and generate reports for various categories required for its contracting and workforce policies.

4. The Agency's web-based contract and labor compliance system allow Agency staff to efficiently enforce the Agency's Equal Opportunity Policies by reducing the volume of hard copy documentation review and providing real-time data analysis capability of contracting dollars and employment hours and wages of contractors and residents within Redevelopment Project Areas.
5. On April 20, 2010, by Resolution No. 41-2010, the Agency Commission approved a first amendment to the Contract with Elation to increase the Contract amount by \$86,200, for a total aggregate amount of \$286,200, and amend the scope of services to enhance existing modules and the development of Procurement, Training and Equal Employment Opportunity Modules.
6. On December 7, 2010, by Resolution No. 142-2010, the Agency Commission approved a Letter Agreement with OLSE for licensing fees to utilize the Labor Compliance and Certified Payroll module and, by Resolution No. 143-2010, the approved a Second Amendment to Elation's PSC in the amount of \$191,200 for annual licensing fees. The combined annual cost for Elation was \$221,200.
7. The Letter Agreement and Second Amendment provided for annual licensing fees for all modules, continued development and training, including but not limited to, the Equal Employment Opportunity Module, which enables Agency staff to implement and electronically monitor the Permanent Workforce program and the Training Module, which allows Agency staff to efficiently monitor and administer the Agency's Job Readiness Initiative with contracted community based organizations and the progress of removing barriers to employment for residents in Redevelopment Project Areas.
8. Staff proposes a Third Amendment to the Personal Services Contract with Elation to increase the Contract amount by \$199,500 for a total term of 6 years, for a total aggregate amount not to exceed \$1,075,900, and extend contract term for twelve months with two 1-year extension options.
9. The Third Amendment to the Personal Services Contract consolidates all modules into a single contract resulting in a \$21,700 savings and provides for annual licensing fees and continued development and training for all Modules, in addition to unlimited use of the Section 3 and Minutes Modules. The Section 3 reporting module is an automated system of data collection and reporting which provides contractors and Agency staff significant time and resource savings which substantially reduces the reporting burden set forth by the Federal Housing and Urban Development (HUD) Section 3 reporting requirements. The Minutes module is an advance team collaboration management system that enables organizational and inter-organizational collaboration on projects, calendaring, meeting minutes recording, action item and commitment tracking among all project team members.

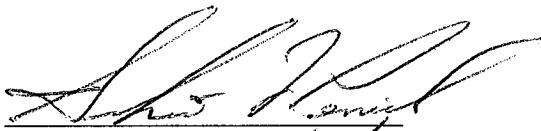
10. The Third Amendment to continue contracting with Elation Systems as a Contractor that has “previously provided the needed Goods or Services to the Agency and, in doing so, has performed satisfactorily and gained specific information and experience making the proposed Contractor uniquely qualified to provide the needed Goods or Services” conforms to the Agency’s Sole Source Procurement Method as described in the Agency Purchasing Policy as amended on July 21, 2009 by Resolution No. 83-2009.

11. The Third Amendment with Elation to pay for licensing fees for a web-based contract and labor compliance system does not constitute a project as defined by the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15378(b)(5). The proposed action is an administrative activity that will not change conditions in any redevelopment project area, will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Third Amendment to the Personal Services Contract with Elations Systems, Inc., a California corporation, to increase the Contract amount by \$199,500, for a total aggregate amount not to exceed \$1,075,900, and to increase the term by 1 year with two 1-year extension options for a total term of 6 years, to provide for annual licensing fees and continued development, technical support, and training for the Agency’s web-based contract and labor compliance system, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for, James B. Morales 6/15/11
Agency General Counsel