



**MEMORANDUM**

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**TO:** Dionna Brookens, Chief Procurement Officer  
Department of Procurement & Contracts

**FROM:** Bryan Land, Deputy Chief Information Officer *BLZ*

**DATE:** November 18, 2016

**SUBJECT:** Recommendation to Enter into an Agreement with Yardi Systems Inc. ("Yardi") for the Yardi Voyager 7S Upgrade and Enhancement Implementation for a three (3) year base term with 2 option years in the amount of \$6,777,019

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The Information Technology Services department ("ITS") recommends the Chicago Housing Authority ("CHA") enter into an agreement with Yardi Systems Inc. ("Yardi") to provide additional software licensing, maintenance and support for upgraded functionality to the CHA's Yardi Housing Management System, as well as for professional consulting services for implementation of the Yardi base system and enhanced system upgrades.

The Chicago Housing Authority ("CHA") requires critical Information Technology systems and software to support essential business functions. Yardi Housing Management Software ("Yardi") supports property management, voucher management, occupancy and property accounting business processes. This technology is proprietary to Yardi and is necessary for the CHA in order to support the on-going business operations as well as future development and support of the CHA's property management program. The delivery date of the fixed-fee contract is from January 1, 2017 to December 31, 2021 that includes Yardi Voyager 6 to Yardi Voyager 7S upgrade and additional Yardi software implementation, including Applicant Portal, Application Online Portal, Resident Portal, Landlord Portal and Resident Screening. All Yardi applications are seamlessly integrated/interfaced with each other that will enable the CHA to take advantage of the full features of the new version including:

- Improved application performance.
- Improved mobile platform accessibility.
- Generating more complete housing applications with built-in checks for missing data
- Reducing costs and increasing staff productivity through paperless applications and electronic document uploads
- Improving client satisfaction with convenient online services such as online payments and maintenance requests
- Streamlining communication with landlords through self-service access to functions, forms, and reports

**BACKGROUND INFORMATION**

In 2003, the CHA implemented the Yardi Housing Management Software as their property and voucher management system. The Yardi software was placed into production for use by the CHA in November 2005. The Yardi Support and Maintenance Agreement includes technical support and product maintenance including fixes and updates to the software. For technical issue resolutions that are of a critical severity, the CHA may require assistance from the vendor.

In October 2008, CHA elected to license additional Yardi software, including the vendor's Customer Service, Portfolio Management Dashboard and Web Portal Modules (collectively the "Upgrade Modules"): These new Upgrade Modules were separately licensed, implemented into CHA's production environment and subject to the same terms and conditions for ongoing support, maintenance and upgrade coverage as the parties have observed for Yardi Voyager System.

### **RECOMMENDATION SUMMARY**

**Contract Period:** Three (3) year base term with 2 one-year option years

**Base term Contract Amount:** \$4,455,035

**Option Year One Amount:** \$1,187,512

**Option Year Two Amount:** \$1,134,512

**Aggregate not-to-exceed Contract Amount:** \$6,777,019

### **SOLICITATION SUMMARY**

Due to the proprietary nature of the software system, the sole source process continues as a necessary procurement requirement for the maintenance, support and upgrades to the Yardi platform and applications.



## Inter-Office Memorandum

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**TO:** Dionna Brookens  
Chief Procurement Officer  
Department of Procurement and Contracts

**FROM:** Bryan K. Land  
Bryan K Land  
Deputy Chief Information Technology Officer  
Information Technology Services Department

**DATE:** November 16, 2016

**SUBJECT:** Yardi Housing Management Software Upgrade and Enhancement Implementation

**VENDOR:** Yardi Systems, INC.

**TERM:** January 1, 2017 – December 31, 2021

**AMOUNT:** \$6,777,019

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According to the HUD Procurement Handbook 7460.8 Rev 2 "Procurement by non-competitive proposals shall be conducted only if a written justification is made as to the necessity of using this method in accordance with the procedures described in the PHA's procurement policy." Approval to award a contract resulting from a non-competitive proposal does not eliminate or alter any other requirement of §2 CFR 200.320 governing the contract. The justification shall include the following information:

**1. Describe the procurement requirement. Description must include a detailed request, including the delivery date and/or date for services to begin:**

The Chicago Housing Authority ("CHA") requires critical Information Technology systems and software to support essential business functions. Yardi Housing Management Software ("Yardi") supports property management, voucher management, occupancy and property accounting business processes. This technology is proprietary to Yardi and is necessary for the CHA in order to support the on-going business operations as well as future development and support of the CHA's property and voucher management program. The delivery date of the fixed-fee contract is from January 1, 2017 to December 31, 2021 that includes Yardi Voyager 6 to Yardi Voyager 7S upgrade and additional Yardi software implementation, including Applicant Portal, Application Online Portal, Resident Portal, Landlord Portal and Resident Screening. All Yardi applications are seamlessly integrated/interfaced with each other that will enable the CHA to take advantage of the full features of the new version including:

- Improved application performance.
- Improved mobile platform accessibility.
- Generating more complete housing applications with built-in checks for missing data
- Reducing costs and increasing staff productivity through paperless applications and electronic document uploads

- Improving client satisfaction with convenient online services such as online payments and maintenance requests
- Streamlining communication with landlords through self-service access to functions, forms, and reports

**2. Provide a history of similar purchases with this vendor or of this requirement.**

In 2003, the CHA implemented the Yardi Housing Management Software as their property and voucher management system. The Yardi software was placed into production for use by the CHA in November 2005. The Yardi Support and Maintenance Agreement offers ITS technical support and product maintenance including fixes and updates to the software. For technical issue resolutions that are of a critical severity, the CHA may require assistance from the vendor.

In October 2008, CHA elected to license additional Yardi software, including the vendor's Customer Service, Portfolio Management Dashboard and Web Portal Modules (collectively the "Upgrade Modules"). These new Upgrade Modules were separately licensed, implemented into CHA's production environment and subject to the same terms and conditions for ongoing support, maintenance and upgrade coverage as the parties have observed for Yardi Voyager System.

**3. State the specific exception to §2 CFR 200.320(f); (1) through (4) that applies.**

**State reason for this request (select one):**

- (1) The item is available only from a single source;**  
 **(2) The public exigency or emergency for the requirement will not permit a delay resulting from a competitive solicitation;**  
 **(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity;**  
 **(4) After solicitation of multiple sources, competition is determined inadequate**

**4. State the unique circumstances, if any, that will support a contract award by sole source or a non-competitive procurement?**

The Yardi Housing Management System is proprietary software and, as such, is not supported or maintained by third parties.

**5. Describe the efforts made to find competitive sources (i.e., advertisement in trade journals or local publications; phone calls to suppliers; issuance of a written solicitation, etc.). Attach any market research information.**

The Yardi Housing Management System is proprietary software and, as such, is not supported or maintained by third parties.

**6. State the efforts that will be taken in the future to promote competition for this requirement?**

The Yardi Housing Management System is proprietary software and, as such, is not supported or maintained by third parties.

**7. Attach Cost/Price Estimate Form and a Cost Analysis Breakdown (from proposed and previously related procurements) supporting the reasonableness of the proposed non-competitive procurement price.**

Attached

**8. Attach completed Contract Compliance Schedules A, B, and C.**

**9. Ensure proper documentation and required approvals are prepared as indicated below:**

- a) **Is a copy of the Requisition attached to this memo? Yes**
- b) **Has it been approved by the Deputy Chief of the Requesting Department? Yes**
- c) **Has the Budget Department acknowledged fund availability? Yes**

**APPROVED:**

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Dionna Brookens  
Chief Procurement Officer

