



**Rent Stabilization Board
Office of the Executive Director**

DATE: January 20, 2022
TO: Honorable Members of the Rent Stabilization Board
FROM: DéSeana Williams, Executive Director
By: Lief Bursell, Senior Planner
SUBJECT: Recommendation to adopt Resolution 22-02 authorizing the Executive Director to modify the existing contract with 3Di Systems, Inc. for a total not to exceed \$30,500

Recommendation

That the Board adopt Resolution 22-02 authorizing the Executive Director to execute a contract modification with 3Di Systems, Inc. to amend the payment terms and increase amount payable under the contract by an additional \$30,500 (bringing the contract total to \$472,700).

Background and Need for Rent Stabilization Board Action

On August 13, 2020, the Rent Stabilization Board (Board) authorized the Acting Executive Director to execute a contract with 3Di Systems, Inc. (3Di) to replace the Board's existing rent tracking system (RTS) and case management system with an integrated software solution in an amount not to exceed \$120,700 for the initial development and implementation and then \$60,000 annually for maintenance thereafter. The initial contract length was negotiated for five-years, with a total contract amount not to exceed amount of \$442,200.

In July of 2020, just prior to the Board's authorization of the contract with 3Di, the City Council placed Measure MM on the November 2020 ballot. If passed, Measure MM would create new registration requirements for certain single-family homes, condominiums, multi-family buildings constructed after June of 1980. Staff first consulted with Webmethods, the developer of the RTS database, on the potential for adding Measure MM requirements to that system, however their lead developer did not have capacity to work on these requirements immediately after the November 2020 election.

Staff next approached 3Di regarding the possibility of developing Measure MM registration in their system. After discussing these new requirements, 3Di agreed to add Measure MM registration to the scope of work of their existing contract, without any increase to their initial cost proposal for development. 3Di did not ask the Board to cover the additional costs for the maintenance and support of an additional module that would launch in advance of the rest of the system, when the annual subscription and maintenance payment to 3Di would begin.

As soon as staff learned that Measure MM would pass, 3Di was informed and their team shifted all their focus to the development of the Measure MM registration module. After several months of intense development, Measure MM registration launched on 3Di's system in February of 2021.

3Di has requested a \$1,500 per month in subscription and maintenance fees for Measure MM module. The requested increase to 3Di's contract includes the \$16,500 necessary to pay 3Di for 11 months of support and maintenance of the standalone Measure MM module.

3Di Development and Cyber Security Improvements

Once development of the Measure MM Registration module was complete, 3Di shifted focus to the other modules necessary to replace the functions of the RTS database. After many meetings between 3Di and staff, hours of testing and development, the following modules were planned for go-live in 3Di on December 17, 2021:

- Evictions
- Buyout Agreements
- Petitions & Mediations
- Collections
- Registration for Fully-covered units
- Annual General Adjustment (AGA)

A few weeks prior to the December 17th launch date, a consultant for Berkeley's IT Department performed a "penetration test", which is a cyber security test of the 3Di system that is designed to identify any areas of the system that could potentially be hacked or exploited.

The penetration test of 3Di's system revealed two high priority items that the IT Department's Security Manager asked 3Di address before the December 17th launch. The first was to implement multi-factor authentication for users with administrator roles. Multi-factor authentication is a setting that was already available in the 3Di system and it was enabled upon staff's request.

The other high priority item was to add an integrated malware protection service that can scan any documents uploaded by users of the system for viruses and malware. While an integrated malware scanner was not part of 3Di's original cost proposal, they were able secure and implement a malware scanning service called ClamAv to provide this functionality. Additional details of the malware scanning service and the proposed cost increase are included in the attached change order from 3Di.

3Di has requested \$2,000 for implementation of this service, as well as an ongoing increase to the annual support/subscription cost of \$2,400 per year. The total increase requested over the five-year contract period is \$14,000.

Proposed Change to Payment Terms

The existing 3Di contract requires payment of the \$120,700 in development costs in two separate installments. The first payment is due as soon as all contract deliverables are made and the second is due 12 months later. While the majority of requirements and functions necessary to replace RTS have already been developed, staff anticipate it will take at least several additional months to complete and finalize all deliverables required by the contract. Given the extra work it will take to transition owners of fully-covered units to the new system, it is possible development and fine-tuning will continue into next fiscal year.

3Di has been in the process of developing the agency's RTS replacement system for well over a year, and they have been extremely flexible to adapt to the late addition of the Measure MM requirements. In appreciation of 3Di's good work thus far, staff propose a change to the payment requirements so that the first installment to is payable upon the delivery of all the required modules. The second installment would still be payable no sooner than 12 months after the first payment is due, and it would maintain the requirement that all the contract deliverables are received prior to payment.

This change will allow the agency to pay the first installment to 3Di a little sooner, after the successful launch of the case management module. Removing the potential delay in payment should also provide a little breathing room for staff to work with 3Di to fine tune the system and will still ensure that all contract deliverables are made before the second and final installment is due.

Financial Impact

The Board has sufficient funds in its capital reserve to allocate an additional \$30,500 for a contract modification with 3Di.

Name and Telephone Number of Contact Person

DéSeana Williams, Executive Director (510) 981-7368

Attachments:

1. Change Request #BRB120921-1 for the Addition of an Anti-Virus Engine to 3Di
2. Proposed Resolution 22-02

Change Request # BRB120921-1
for the Addition of an Anti-Virus Engine
to 3Di Engage for Housing
Berkeley Rent Board



3Di, Inc.

3 Pointe Drive, Suite 307

Brea, CA 92821

www.3disystems.com



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3Di Engage SaaS Change Request

As a result of cybersecurity penetration testing performed on the 3Di Engage solution, Berkeley's Information Technology Department requested the addition of malware scanning software.

3Di has implemented ClamAV®. ClamAV® is an open-source (GPL) anti-virus engine used in a variety of situations, including email and web scanning, and endpoint security. It provides many utilities for users, including a flexible and scalable multi-threaded daemon, a command-line scanner and an advanced tool for automatic database updates.

Features include:

- Command-line scanner.
- Milter interface for sendmail.
- Advanced database updater with support for scripted updates and digital signatures.
- Virus database updated multiple times per day.
- Built-in support for all standard mail file formats.
- Built-in support for various archive formats, including ZIP, RAR, Dmg, Tar, GZIP, BZIP2, OLE2, Cabinet, CHM, BinHex, SIS and others.
- Built-in support for ELF executables and Portable Executable files packed with UPX, FSG, Petite, NsPack, wwpack32, MEW, Upack and obfuscated with SUE, Y0da Cryptor and others.
- Built-in support for popular document formats, including MS Office and Mac Office files, HTML, Flash, RTF and PDF.



For more information on ClamAV®, please refer to their website. www.clamav.net

3Di Engage for Housing Pricing with Change Requests

The following table shows the pricing for the requested change(s).

	Year 1	Year 2	Year 3	Year 4	Year 5
Section 1: Change Request Services					
System Testing	\$2,000				
Implementation/Deployment					
Total Change Request Costs	\$2,000				
Section 2: Annual Subscriptions including Anti-Virus Engine					
Current Annual Subscription 3Di Engage for Housing	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Annual Subscription for ClamAV® Anti-Virus Engine	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
New Annual SaaS Subscription Total	\$62,400	\$62,400	\$62,400	\$62,400	\$62,400
Current Implementation Costs Due	\$ 120,700				
TOTAL DUE	\$185,100	\$62,400	\$62,400	\$62,400	\$62,400

Authorization to Proceed with Change Requests

The information about the change of orders above has been reviewed and by signing below, it means that both parties involved approved the changes.



12/09/2021

Mihir Desai, VP

Date

3Di, Inc

De(Seana) Williams, Exec. Dir.

Date

Berkeley Rent Board

RESOLUTION 22-02

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION WITH 3Di SYSTEMS, INC. TO MODIFY THE PAYMENT TERMS AND INCREASE THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$30,500

BE IT RESOLVED by the Rent Stabilization Board of the City of Berkeley (the “Board”) as follows:

WHEREAS, the existing RTS and Case Management Systems are critically important for maintaining all the agency’s rental property and client contact information; and

WHEREAS, the RTS and Case Management System are outdated, do not communicate to each other, and are due for replacement with a new integrated software solution; and

WHEREAS, the City of Berkeley issued a formal Request For Proposal (RFP) for vendors to submit proposals for developing a replacement for the Board’s RTS and Case Management System in August of 2019; and

WHEREAS, 3Di Systems, Inc. submitted the only proposal that met both the RFP requirements and had a total implementation cost within the amount budgeted for the project; and

WHEREAS, the Board, on August 20, 2020, authorized the Acting Executive Director to enter a contract with 3Di Systems, Inc. to replace the agency’s existing RTS and Case Management System with an integrated software solution in an amount not to exceed \$120,700 for the initial development and implementation and then \$60,000 annually for ongoing maintenance and support; and

WHEREAS, after the passage of Measure MM in November of 2020, the Board asked 3Di Systems, Inc. to develop an additional registration module to facilitate registration and fee collection for partially-covered, Measure MM units; and

WHEREAS, the Measure MM registration module was successfully developed and launched by 3Di Systems, Inc. in February of 2021; and

RESOLUTION 22-02

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION WITH 3Di SYSTEMS, INC. TO MODIFY THE PAYMENT TERMS AND INCREASE THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$30,500 (Page 2)

WHEREAS, 3Di Systems, Inc. requested the Board pay for the monthly cost of supporting the Measure MM module in advance of the full launch all the modules to replace the functions and requirements of the RTS database; and

WHEREAS, the City of Berkeley's IT Department asked 3Di Systems, Inc. to integrate malware scanning service to the RTS replacement system that was not part of their original proposal; and

WHEREAS, the all system modules necessary to replace the functions and requirements of the RTS database were launched on December 17, 2021 with an integrated malware scanning service; and

WHEREAS, the case management module is the only system module still in development, and it is scheduled to launch early in 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the Executive Director to execute a contract modification with 3Di Systems, Inc. in an amount not to exceed \$30,500 (total contract amount not to exceed \$472,700).

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board authorizes the Executive Director to modify the contract with 3Di Systems, Inc. to adjust the payment terms so that the first payment installment for the system development is due upon the launch of all system modules, and the second payment installment for system development is due no sooner than 12 months after payment of the first installment and is only payable after all contract deliverables are made.

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AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION WITH 3Di SYSTEMS, INC. TO MODIFY THE PAYMENT TERMS AND INCREASE THE CONTRACT BY AN AMOUNT NOT TO EXCEED \$30,500 (Page 3)

Dated: January 20, 2022

Adopted by the Rent Stabilization Board of the City of Berkeley by the following vote:

YES:

NO:

ABSTAIN:

ABSENT:

Leah Simon-Weisberg, Chairperson
Rent Stabilization Board

Attest: _____
DéSeana Williams, Executive Director