



Rent Stabilization Board

DATE: May 15, 2025

TO: Honorable Members of the Rent Stabilization Board

FROM: Honorable Members of the Budget & Personnel Committee
By: DéSeana Williams, Executive Director
Lief Bursell, Senior Planner

SUBJECT: Recommendation to adopt Resolution 25-13 authorizing the Executive Director to modify the existing contract with 3Di, Inc. by extending it through September 30, 2027, and increasing the amount payable under the contract by an additional \$240,000 for a total amount not to exceed \$712,700

Recommendation

That the Board adopt Resolution 25-13 authorizing the Executive Director to execute a contract modification with 3Di, Inc. to extend the contract through September 30, 2027, and increase the amount payable by an additional \$240,000 (bringing the contract total to \$712,700).

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, 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 the amount of \$442,200. The contract was later amended in January of 2021 to add additional funding to implement partially covered registration, after the passage of Measure MM, and to pay for the implementation of a malware scanning service called ClamAv that was requested by the City of Berkeley's Cybersecurity staff. This increased the spending authority under the contract by \$30,500 for a total amount not to exceed \$472,700.

The Board's initial five-year contract with 3DI is set to expire on September 30, 2025. The contract terms grant the Board the right to two 12-month extensions under the contract's existing scope and payment terms. Staff recommend that the Board extend the contract with 3Di for the full 24 months. The 3Di Rent Registry is crucial for the Rent Board's registration data, payment and collections, and reporting and staff recommend the Board extend the contract for the full 24 months.

Extending the 3Di contract two additional years would cost the Board a total of \$124,800. Staff

also recommend the Board add additional funding to pay for the development of features needed to support identifying vacant units for the Empty Homes Tax, change orders that may be need to to implement Measure BB, and any other system improvements or features requested by either the Board or staff.

The costs for developing reports and features identifying vacant residential units for are estimated at \$15,000 to \$20,000. Staff recommend allocating a total of \$25,000 in Empty Homes Tax funding to pay for development of these features. Staff also recommend setting aside \$50,000 for potential change orders that may be required to address new laws or changes to existing laws, or to pay for the development of new features or improvements that are requested by staff or the Board. Finally, staff recommend adding an additional \$40,200 for both end-of-life support and contingency funding.

3Di Contract Costs	Rate	Total
Annual Support & Maintenance	\$60,000 per year	\$120,000
Clam AV (cybersecurity)	\$2,400 per year	\$4,800
Change Orders		\$50,000
Empty Homes Tax		\$25,000
End-of-Life Support		\$21,500
Contingency		\$18,700
Total Increase		\$240,000

Financial Impact

Funding for required annual payments for the 3Di Rent Registry is part of the Board’s annual budget recommendation. The Rent Board’s Finance Unit and Budget & Personnel Committee will provide a recommendation on when to budget and encumber expenditures for change orders. Funding for the Empty Homes Tax comes from the City Council’s general fund and do not have an impact on the Rent Board fund.

Name and Telephone Number of Contact Person

DéSeana Williams, Executive Director (510) 981-7368

RESOLUTION 25-13

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT MODIFICATION WITH 3Di SYSTEMS, INC. TO EXTEND THEIR EXISTING CONTRACT THROUGH SEPTEMBER 30, 2027, AND INCREASE THE CONTRACT AMOUNT BY \$240,000 FOR A TOTAL NOT TO EXCEED \$712,700

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

WHEREAS, the Boards previous Rent Tracking System (RTS) and Case Management Systems were critically important for maintaining all the agency’s rental property and client contact information; and

WHEREAS, the RTS and Case Management System were outdated, do not communicate with each other, and the Board determined that the agency would be better served 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

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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

WHEREAS, all system modules necessary to replace the functions and requirements of the RTS database were launched on December 17, 2021, and the case management module was launched on March 28, 2022; and

WHEREAS, registration for both fully covered and partially covered rental units have been completed in the 3Di Rent Registry since the 2022 registration period; and

WHEREAS, Rent Board staff are working to implement the new Measure BB registration requirements for government subsidized units for the 2025 registration period; and

WHEREAS, the Board's initial contract with 3Di Systems, Inc. expires on September 30, 2025; and

WHEREAS, the contract terms give the Board the unilateral right to extend the existing contract with 3Di Systems, Inc. for two additional 12-month periods; and

WHEREAS, the 3Di Rent Registry plays a crucial role in the administration of the Rent Stabilization Ordinance through its registration, collections, case-management and hearings modules; and

WHEREAS, data in the 3Di Rent Registry is being used to identify vacant units for taxation under Berkeley's Empty Homes Tax; and

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WHEREAS, the Rent Board is pleased to have an integrated system that manages both rent ceiling, rent registration data, petitions and housing counselor cases; and

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the Executive Director to execute a contract modification with 3Di Systems, Inc. to extend their existing contract through September 30, 2027, and increase the contract's spending authority by an amount not to exceed \$240,000 (for a new total contract amount not to exceed \$712,700), including \$25,000 from the general fund allocated to support the administration of the City of Berkeley Empty Homes Tax.

Dated: May 15, 2025

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

YES:

NO:

ABSTAIN:

ABSENT:

Soli Alpert, Chairperson
Rent Stabilization Board

Attest: _____
DéSeana Williams, Executive Director