



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**May 4, 2021**

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**TOPIC:** Agreement with Happy Software, LLC

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**AGENDA TITLE:**

Approve an Agreement with Happy Software, LLC for Housing Authority Management Software

**RECOMMENDED ACTION**

Authorize the Executive Director of the Housing Authority to execute an agreement with Happy Software, LLC to provide housing authority management software services beginning June 1, 2021 and expiring May 31, 2024, for a total amount not to exceed \$200,000 over a three-year period, subject to non-substantive changes approved by the Executive Director and Authority General Counsel.

**DISCUSSION**

On March 1, 2021, the Housing Authority issued a Request for Proposals (RFP # 21-031) for housing authority management software from professional public housing authority software providers to provide housing authority management software services for the Housing Choice Voucher Program (Exhibit 1). Responses to the RFP were accepted until Monday, March 22, 2021.

The Housing Authority received three (3) proposals prior to the deadline. Staff then conducted a minimum threshold review of each submitted proposal to determine if all minimum program and RFP requirements were met by the proposal. Following the minimum threshold review, staff formed a Review Panel consisting of three (3) employees from the Housing Authority. The Review Panel used the Scoring and Selection Criteria from the RFP to make a determination on which firm to recommend to the Housing Authority Board for approval. The firms that submitted a proposal are:

<b>Software Provider</b>	<b>Cost for Services per Year</b>
Happy Software, LLC	\$52,793
Emphasys	\$42,502
PHA-Web	\$19,550

Following this RFP process, the Review Panel is recommending the Housing Authority to execute an agreement with Happy Software, LLC to provide housing authority management software services beginning June 1, 2021 and expiring May 31, 2024

(Exhibit 2). The total cost of the agreement over a three-year period is not to exceed \$200,000. This will allow staff to request for technical assistance from Happy Software, such as customizations of the software or additional services for owners, tenants and applicants.

Since June 2020, the Housing Authority has used the software provided by Happy Software, LLC for the administration of the Housing Choice Voucher Program. This software is essential to the operation of the Housing Authority and its obligation to electronically transfer data to the U.S. Department of Housing and Urban Development (HUD) on a regular basis and disburse millions of dollars in rental assistance funds every month. The software tracks all program information on thousands of applicants, participants, and owners served by the program; schedules and maintains records on all Housing Quality Standards inspections; performs income and payment calculations; and creates and transmits all HUD-required reports. In addition to the day-to-day use of the software, the annual license includes system upgrades, software updates, all pertinent user manuals, staff training, as well as the Housing Authority's applicant, owner and tenant on-line portals.

Staff is not recommending approval of the two lower cost proposals for two reasons. First, staff have received an outstanding quality of service from Happy Software, LLC over the last year. The software has a user-friendly interface and staff have been very satisfied with their quality of service. It is a good product being used by hundreds of other housing authorities across the country. Second, there are large hidden costs not reflected in the other proposals for staff time and training to transition to a new housing management software. Specifically, the transition to a new software would entail at least a six-month process of training and cross-training fifteen Housing Authority employees. This includes a week-long training of all fifteen employees (40 hours x 15 employees) and two weeks of additional training and assistance for two supervisory-level employees (80 hours x 2 employees). The total number of staff hours required would be approximately 680 hours. This does not include unanticipated costs for assistance from our Information Technology Department and Finance and Management Services Agency staff. Therefore, although the proposal with Happy Software, LLC is higher than the other two proposals, staff values their high quality of service and wants to avoid the large hidden costs required on the backend to switch to a new software provider.

### **FISCAL IMPACT**

Funding for the Happy Software, LLC agreement is available in the FY 2020-2021 Housing Authority Other Contractual Services account (no. 14018760-62300) and will be budgeted in future fiscal years for expenditure as shown in the table below:

<b>Fiscal Year</b>	<b>Accounting Unit - Account#</b>	<b>Accounting Unit, Account Description</b>	<b>Amount</b>
FY 20-21 (June)	14018760-62300	Housing Authority-Vouchers ADM, Contract Services-Professional	\$ 5,550
FY 21-22 (July-June)	14018760-62300	Housing Authority-Vouchers ADM, Contract Services-Professional	\$ 66,700
FY 22-23 (July-June)	14018760-62300	Housing Authority-Vouchers ADM, Contract Services-Professional	\$ 66,700
FY 23-24 (July-May)	14018760-62300	Housing Authority-Vouchers ADM, Contract Services-Professional	\$ 61,050
		<b>Total Contract Amount</b>	<b>\$ 200,000</b>

The above spending plan is only an estimate and subject to change.

Fiscal Impact Verified By: Kathryn Downs, CPA, Executive Director – Finance and Management Services Agency

**EXHIBIT(S)**

1. Request for Proposals for Housing Authority Software
2. Agreement with Happy Software, LLC

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager