



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-1-28 (5)

DATE: January 28, 2015  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Selection of Enterprise Software Provider

### **Background**

This resolution would authorize the Executive Director to negotiate, and if those negotiations are successful, to execute a contract with EightCloud/Salesforce ("Eightcloud") to develop and provide THA's new enterprise software.

EightCloud is the choice of an extensive and careful 6 month staff procurement process. The final choice was between two vendors, EightCloud/Salesforce and TenMast. Here is a summary of the factors that led to the recommendation to choose EightCloud/Salesforce.

- *TenMast is the safe choice.* It is a product designed for the public housing industry. Other PHAs use it. TenMast and HUD's systems already work together. Yet it has important and significant limitations. It will not assist the Real Estate Development Department. It has minimal capability to assist with our community services needs. It will require notable customizations that may or may not be easy to arrange or afford. Ongoing modifications as we change generally will be more difficult. Its technology and "user interface" are old fashion. Even small changes will continue to be time-consuming and costly. With TenMast we should expect that our software may limit our program designs. We will likely end up making tough choices based, in part, on what our software will allow or will not allow us to do.

- *EightCloud/Salesforce is the ambitious choice.* It is a web-based product that user will access fully online with no necessary server infrastructure onsite. This is the future of the technology industry. It is flexible so that we can design it as we wish. This is both its charm and its challenge. We have to design and configure each component. If successful, it will enable us to operate in ways that we would not be able to otherwise. Its technology also makes it much easier to modify continually. Designing it will also push our ongoing effort to redesign our business processes. That too can be a very good thing for the agency. Yet, we risk the time and money this redesign will require and if we fail, it will be a waste of both.

The two vendors are roughly comparable in cost.

The chart below summarizes the factors in this decision. The Administration Department's January 2015 Board report provides more detail on each of these factors.

Factor	Eightcloud / Salesforce	TenMast
Capacity	◇◇◇	◇
Cost	◇	◇
How Long it Will Serve THA	◇◇◇	◇
Certainty of Delivery	◇	◇◇

The timeline of the RFP was as follows:

Task	Date
RFP Released	June 16, 2014
Responses Received	8/1/2014
First Round of Demonstrations	8/21/2014, 8/26/2014, 8/27/2014, 9/2/2014
Attempts to Forge Partnership	September and October
Second Round of Demonstrations	11/13/2014 and 11/21/2014
Software Selection Committee Recommendation	12/15/2014
THA Cabinet Recommendation	1/16/2015
Board Approval	1/28/2015

### **Selection Committee Recommendation**

Over the past six months, the software selection committee members spent an average of 42 hours each, for a total of 336 hours. This was time that select staff gave in addition to their regular daily duties and consisted of reviewing the RFP responses, discussing the various options with the staff they represent, meeting as a committee, and participating in the software demonstrations. On December 15, the committee met to make its final recommendation.

The committee's compiled scores favored Eightcloud over Tenmast, who scored only slightly lower overall. On December 15, 2014, the Software Selection Committee met and voted unanimously to recommend moving forward with Eightcloud. Although the scoring showed Eightcloud only slightly higher than TenMast, during the discussion, it was clear that overall the committee strongly favored Eightcloud.

The chart below shows the results of the scoring.

Rank	Total Points	Firm Name	G1	G2	G3	G4	G5	G6	G7
0	700	Total Possible	100	100	100	100	100	100	100
1	571	Eightcloud	73	91	86	96	84	62	79
2	555	TenMast	79	84	81	96	82	59	74
3	485	Emphasys	64	83	84	96	52	45	61
4	477	Yardi	65	82	83	83	66	42	56

\* G1 = Finance, G2 = Administration, G3 = Community Services, G4 = Property Management, G5 = Maintenance, G6 = Rental Assistance, G7 = Real Estate Development; note that scores were not given for the Exec/HR group as the representative for this group left THA during the procurement.



## **Cost**

The comparable costs of the two vendors are roughly comparable, with some important uncertainties with each, especially EightCloud. Because we will have to design our system, we cannot determine with much precision what it will cost. For that reason, we propose to divide the EightCloud contract into two phases. Phase 1 will have EightCloud, and THA define the scope and the cost of the work. This Phase 1 will cost \$75,000. After it gives us the more precise cost, THA can confirm whether to proceed with the full implementation or reconsider its choice.

However, based on what they knew at the time, Eightcloud did provide some preliminary estimates for us, both for the custom development and the ongoing Salesforce and Financial Force maintenance fees. They are as follows:

<b>Development Costs (Year 1)</b>	<b>Cost</b>
Phase 1: Project Planning	\$75,000
Custom Development	\$600,000
<b>Total</b>	<b>\$675,000</b>
<b>Ongoing Annual Maintenance Costs</b>	<b>Cost</b>
Salesforce One Platform	\$161,289
Financial Force Subscription	\$60,000
<b>Total</b>	<b>\$221,289</b>

We currently we pay approximately \$80,000 annually to Yardi for VisualHOMES support. The other respondents to our current RFP averaged \$170,000 for hosting and maintenance fees annually. The VisualHOMES fees we pay now are as low as they are because it is a dying product and we currently host it onsite. All of the other alternatives we considered would host our system and data externally.

Our goal during the contract negotiation will be to lower both the development and ongoing costs. We also plan to offset some of the ongoing cost of the product through the efficiencies the product will give us. It is difficult to tell at this point what those efficiencies will be long-term, but we anticipate being able to reduce the number of staff in IT supporting our current system and the many custom software programs we have developed and continue to support. We currently have separate staff assigned to support VisualHOMES, write custom reports, develop business processes, and develop custom programs. Once we are running on the Salesforce platform, we should be able support the platform with fewer staff. If this holds true, these changes would occur in early 2016.

## **Implementation Timeline**

The following chart shows the estimated timeline for the Eightcloud Implementation.

<b>Task</b>	<b>Estimated Date</b>
Execute Contract	February 28, 2015
Phase I: Planning and analysis	6/6/2015
Phase 2a: design and implementation of CRM	12/31/2015
Phase 2b: design and implementation of HR and Finance	4/30/2016

## **Recommendation**

Approve Resolution 2015-1-28 (5), formally authorizing the Executive Director to negotiate, and if those negotiations are successful, execute a contract with Eightcloud/Salesforce to be its Enterprise Software Provider.



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2015-1-28 (5)

### SELECTION OF ENTERPRISE SOFTWARE PROVIDER

**Whereas,** THA's current enterprise software, VisualHOMES, is at end of its useful life. THA needs to replace it.

**Whereas,** THA's staff defined its business objectives and process requirements that its enterprise software needs to fulfill and used these requirements to develop the scope of work for the Request for Proposals (RFP);

**Whereas,** on June 16, 2014, THA issued an RFP for an Enterprise Software Solution;

**Whereas,** THA received six (6) proposals, one of which was deemed unresponsive;

**Whereas,** the proposals were evaluated using the criteria outlined in the RFP;

**Whereas,** the top four (4) scoring vendors were invited to give product demonstrations;

**Whereas,** two (2) vendors came to THA offices for a second demonstration;

**Whereas,** THA's software selection committee selected Eightcloud to be its Enterprise Software Provider;

**Whereas,** THA's 2015 budget includes \$600,000 for software conversion, to be paid out of Moving to Work reserves;

***Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington,***

The Executive Director has the authority to negotiate, and if those negotiations are successful, and execute a contract with Eightcloud/Salesforce to be THA's Enterprise Software Provider.

**Approved: January 28, 2015**

  
Stanley Rumbaugh, Chair