



**CITY OF HOUSTON
ADMINISTRATION & REGULATORY AFFAIRS
DEPARTMENT
S46-Q23999
NOTICE OF REQUEST FOR QUALIFICATION (RFQ)**

**STRATEGIC
PURCHASING DIVISION**
901 Bagby Street, Concourse
Level
Houston, Texas 77002
(832) 393-8704
(832) 393-8759 Fax

GENERAL TERMS & INSTRUCTIONS

The City of Houston ("City") Administration and Regulatory Affairs Department ("ARA") is issuing this Request for Qualifications ("RFQ") to select a certified public accounting "CPA" firm to provide a compliance review of CenterPoint Energy Electricity Franchise.

SOLICITATION DUE DATE/TIME:

The Scope of Work and Statement of Qualifications ("SOQ") for this requirement are outlined below in Sections 3 and 4. If you believe that your company/organization meets the minimum requirements of this RFQ, please submit your response to Eric Alexander, Sr. Procurement Specialist, at eric.alexander@houstontx.gov by **Friday, July 15, 2011 at 2:00 p.m. CST.**

SUBMITTAL PROCEDURES:

The proposal can be delivered as follows:

E-mail (preferred method): eric.alexander@houstontx.gov

Fax Number: (832) 393-8759

Mail: City of Houston
Strategic Purchasing Division (Suite B500, Room B509)
901 Bagby Street
Houston, Texas 77002

Please provide a cover sheet bearing the assigned Solicitation Number, the proposer's name and the name of the project, i.e. 2011 CenterPoint Energy Electricity Franchise Review.

The length of submittal document shall not exceed ten (10) pages (single sided), excluding resumes' of personnel being presented.

The deadline for the submittal of the Response to the "City" is no later than the date and time indicated on the above. Failure to submit all requested information as stated in this RFQ may be subject for disqualification from the RFQ process.



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PRE-SUBMISSION CONFERENCE: The City will conduct a Pre-submission meeting on **Wednesday, June 29, 2011 at 10:00 a.m. in the SPD Conference Room 2 at 901 Bagby Street.** If you have any questions regarding this RFQ, please send them via e-mail to eric.alexander@houstontx.gov. Attendance at the Pre-submission conference is not mandatory.

ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:

Prospective respondents needing additional information/clarification to this RFQ are requested to e-mail questions to Eric Alexander at eric.alexander@houstontx.gov. The deadline for submitting questions is **Tuesday, July 5, 2011 at 5:00 p.m. CST. *No questions will be accepted after this date and time.*** All relevant questions will be answered via letter of clarification to this RFQ and posted on the City's e-bidding website and automatically e-mailed to all who registered to receive this RFQ.

The RFQ is comprised of the following sections:

- Section 1: Introduction
- Section 2: Goal and Objective
- Section 3: Scope of Work
- Section 4: Statement of Qualification
- Section 5: Evaluation and Selection Process
- Section 6: Additional Instructions, Notifications and Information

1.0 INTRODUCTION

1.1 The City of Houston ("City") is issuing this Request for Qualifications ("RFQ") to solicit Statements of Qualifications ("SOQ") from certified public accounting ("CPA") firms. The scope of work will be limited to providing a franchise compliance review of CenterPoint Energy's electric ("CenterPoint") municipal franchise with the City.

1.2 The City will use the responses to this RFQ to select a certified public accounting "CPA" firm to provide a franchise compliance review of CenterPoint. The fee schedule will be negotiated with the selected contractor. Should the City and the selected contractor be unable to negotiate a mutually satisfactory fee schedule, the City reserves the right to negotiate with sequentially preferred respondents.

2.0 GOAL AND OBJECTIVE

2.1 The City's goals and objectives for this procurement process are to:

- Enter into an agreement with a CPA firm to provide a franchise compliance review of the CenterPoint franchise for the period July 1, 2009 through June 30, 2011.
- Obtain a franchise compliance review of CenterPoint that will form the basis of future claims against CenterPoint (if so warranted).
- Have the compliance review completed within 1 calendar year of commencement.

2.2 By July 1, 2011, the City of Houston Administration and Regulatory Affairs Department ("ARA") intends to notify CenterPoint of its intent to conduct a compliance audit of franchise fee payments and kilowatt hour ("kWh") sales for the period July 1, 2009 through June 30, 2011. As such, the City seeks professional services to ensure compliance with the requirements set forth in the CenterPoint franchise agreement, specifically in relation to the franchise fee payment to the City and verification of kWh sales.



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3.0 SCOPE OF WORK

The City will require the selected contractor to provide the following services.

3.1 Consultant Service

- 3.1.1 Review the CenterPoint franchise agreement and become familiar with its provisions and requirements related to franchise fee payments and kWh sales.
- 3.1.2 Develop an overall plan of audit, including if necessary, a sampling plan for selecting individual customer accounts for further review of kWh usage and franchise fees incurred on the accounts.
- 3.1.3 Conduct an independent review and verification of CenterPoint's calculation of the annual franchise fee payments made to the City, including review and verification of municipal account franchise credits.
- 3.1.4 Conduct an independent review to determine timeliness of franchise fee payments during the review period.
- 3.1.5 Conduct an independent review and verification of CenterPoint's kWh sales by account type, both inside and outside the incorporated city limits of Houston.
- 3.1.6 Review findings and recommendations in previous audit of CenterPoint's franchise agreement with the City.

3.2 Consultant Deliverables

- 3.2.1 Provide a detailed audit plan outlining key dates – including audit start and completion dates – status report dates, and final report submission date.
- 3.2.2 Identify any deficiencies or omissions in CenterPoint's annual franchise fee payment calculation over the review period.
- 3.2.3 Identify any deficiencies or omissions in CenterPoint's reported and calculated municipal account franchise credits.
- 3.2.4 Identify and document any late franchise fee payments to the City.
- 3.2.5 Identify any deficiencies or omissions in CenterPoint Energy Electric's reported kWh sales, including any accounts incorrectly coded inside or outside of the incorporated limits of the City of Houston.
- 3.2.6 Document each confirmed error or omission, including correction date (if any), account number, and any franchise fee or municipal account franchise credit due to the City.



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3.2.7 Document any other noticeable discrepancy.

3.2.8 Forward audit report and all supporting documentation to the City for revenue recovery or claim.

4.0 STATEMENT OF QUALIFICATION

4.1 This RFQ is seeking responses (outlined in the Statement of Work) from qualified proposers. Each response should be submitted in the following order:

- A. Outside cover and/or first page: Shall contain the name of the SOQ ("Statement of Qualifications for 2011 CenterPoint Energy Franchise Review"), the name of the respondent and the submittal date. Remember to label the cover of one copy, with original documents in it, "ORIGINAL".
- B. Table of Contents: The next page shall be a table of contents.
- C. Section 1 Divider (Letters)
 - 1. Transmittal Letter: The first page following the divider shall be a one-page letter transmitting the SOQ to Juan Olguin, Deputy Assistant Director, Administration & Regulatory Affairs Department, City of Houston. The transmittal letter shall say that the submittal is valid for 120 days and that the signer of the document is authorized by the proposer to sign the document and bind the proposer to the representations contained therein. The transmittal letter shall contain the name(s) of the proposer(s). At least one copy of the transmittal letter shall contain the original signature of a partner, principal, or officer of the proposer. NOTE: Acknowledge receipt of all Addenda, if any, in this Transmittal Letter.
 - 2. MWBE Letter(s): Following the transmittal letter shall be a one-page letter from each City-certified MWBE firm included on the Team, indicating firm's desire to be included on the Team.
- D. Section 2 Divider (Team Structure and Resumés)

Organizational Chart: Provide a simple organizational chart of the Proposer showing the reporting structure and functions, including MWBE components.
Provide a resumé for each supervisory person that includes any direct experience that relates to this type of audit.
- E. Section 3 Divider (Recent Auditing Experience)

Provide a description of recent auditing engagements similar to the type required. Preference will be given to firms with experience in franchise compliance reviews.
- F. Section 4 Divider (References)

Provide references, including names, addresses and telephone numbers, for at least three (3) of firm's professional engagements. Preference will be given to firms that provide references for engagements related to franchise compliance reviews.



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G. Section 5 Divider (Description of Services)

Provide a detailed response listing what procedures and methodologies the firm intends to utilize in determining CenterPoint Energy Electric's compliance with their franchise. Please be specific as it relates to both franchise fee payments and kWh sales verification.

H. Section 6 Divider (MWBE)

Describe how you plan to subcontract 15% of this engagement to the Minority or Women Business Enterprise(s) identified in Section 1 of the submittal.

I. Section 7 Divider (Company Presence in City of Houston)

Describe the Respondent's current Significant Business Presence in the Local Area as those terms are defined below.

Significant Business Presence means an established place or places of business in the Local Area from which 20% or more of the entity's workforce are regularly based, and from which a substantial role in the entity's performance of a commercially useful function is conducted. A location utilized solely as a post office box, mail drop or telephone message center or any combination thereof, with no other substantial work function, shall not be construed to constitute a Significant Business Presence.

Local Area means the eight counties in and surrounding Houston city limits. The counties are Harris, Fort Bend, Montgomery, Brazoria, Galveston, Chambers, Waller and Liberty, or as hereinafter may be determined pursuant to Chapter 15 of the Code of Ordinances.

5.0 EVALUATION AND SELECTION PROCESS

5.1 EVALUATION SUMMARY:

5.1.1 An evaluation committee may develop a short list of Proposer(s) based upon the initial review of each SOQ received. The short listed Respondent(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the short listed Respondent(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Respondent(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

5.2 SELECTION PROCESS:

5.2.1 The award of this contract will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Respondent(s) to create, modify and implement the required application modules. The Respondent(s) shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Proposer(s) fails to satisfy the City or the Respondent(s) is deemed unqualified to provide the services contemplated. Each SOQ will be evaluated on the basis of the following evaluation criteria:



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- CPA firm describes the services it would provide and procedures developed to determine CenterPoint's compliance with the requirements set forth in the CenterPoint franchise agreement, specifically as relates to the franchise fee payment to the City and verification of kWh sales (maximum 35 points);
- CPA firm describes recent auditing experience similar to the type of review required (maximum 25 points);
- CPA firm lists names, addresses, and telephone numbers of three references for its professional services (maximum 15 points);
- CPA firm identifies the partners, managers, supervisors, and staff who will work on the review. Includes resumes for each supervisory person, including any direct experience related to this type of audit (maximum 10 points).
- Completeness of response: SOQ follows the prescribed format and contains all information requested in RFQ (maximum 5 points).
- CPA firm has the demonstrable ability to subcontract 15% of services to City of Houston certified Minority or Women Business Enterprises (5 points);
- CPA firm has a Significant Business Presence in the Local Area (maximum 5 points).



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6.0 ADDITIONAL INSTRUCTIONS, NOTIFICATION AND INFORMATION

6.1 In addition to the SOQ, responding firms must provide a statement that the firm understands:

- 6.1.1 Respondents shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City for the purposes of influencing this selection. Any attempt by the Respondent to influence the selection process by any means, other than disclosure of qualifications and credentials through the proper channels, shall be grounds for exclusion from the selection process.
- 6.1.2 The City reserves the right to conduct investigations with respect to the information provided by each Respondent and to request additional information or clarification of SOQs. Respondents who provide false or misleading information, whether intentional or not, in any documents presented to the City for consideration in the selection process may be excluded. Any false or misleading information in these documents would, in effect, render the entire document suspect and therefore useless.
- 6.1.3 INTERVIEWS – After the screening of SOQs, Respondents will be notified, in writing, of their status in the selection process. If interviews are needed, short-listed Respondents may be given additional information for interviews. These interviews will relate less to the past experience and qualifications already detailed in the submittal than to identification of the Respondent's program approach and to an appraisal of the people who would be directly involved in the project.
- 6.1.4 INQUIRIES – Please do not contact the City during the selection process to make inquiries about the progress of this selection process. Respondents will be contacted at the appropriate times.
- 6.1.5 COST OF SOQS – The City will not be responsible for costs incurred by anyone in the submittal of qualifications or for any costs incurred prior to the execution of a formal contract.
- 6.1.6 CONTRACT NEGOTIATIONS – This RFQ is not to be construed as a contract or as a commitment of any kind. If this RFQ results in a contract offer by the City; a specific scope of work, fees, insurance coverages, and other contractual matters will be determined during contract negotiations.
- 6.1.7 PUBLIC NATURE OF DOCUMENTS AND DISCLOSURE OF CONFIDENTIAL INFORMATION – Upon the completion of the 2011 CenterPoint Energy Franchise Review as signified by either: (a) the execution of a Professional Services Agreement between the City and a CPA firm; or (b) the decision of the City Council to pursue some other course of action, Submittals, SOQs, forms of agreements, other submissions, correspondence, meeting minutes and notes (Documents) shall be open and public in compliance with Texas law governing public records. Prior to that time, the City may release summaries of the contents of the Documents.



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- 6.1.8 BY SUBMITTING A SOQ IN RESPONSE TO THIS RFQ, RESPONDENTS RECOGNIZE AND AGREE THAT THE CITY WILL NOT BE RESPONSIBLE OR LIABLE IN ANY WAY FOR ANY LOSSES THAT THE REP MAY SUFFER FROM THE DISCLOSURE OF SUBMITTED INFORMATION OR MATERIALS TO THIRD PARTIES.
- 6.1.9 In the event that a CPA Firm believes that any Document it submits is confidential, proprietary or privileged, and not subject to disclosure under Texas law relating to public records, the CPA Firm shall clearly indicate such information by marking it as "Confidential." In the event that the City receives a written request for any Documents submitted in response to this RFQ and that request includes information marked as confidential by the CPA Firm, the City shall notify the CPA Firm of the request prior to the release of the Documents and shall give the CPA Firm the opportunity to take whatever legal action it deems appropriate to protect information that the CPA Firm believes is confidential. Nothing in this paragraph or anywhere else in this RFP shall obligate the City to take any legal action, including requesting an Attorney General Opinion, to protect the confidentiality of any information submitted by any CPA Firm in response to this RFQ.
- 6.2 CITY POLICIES & ORDINANCES – Respondents should be aware of and therefore, familiar with all pertinent City of Houston Ordinances and policies which relate to contracting with the City. More detailed guidance is available on request. The following is a partial list of relevant subjects:
1. Equal Employment Opportunity
 2. MWBE Participation Goal of 15%
 3. City of Houston Fair Campaign Ordinance
 4. Mayor's Drug Detection and Deterrence Policy and Procedures
 5. City Contracts and Indebtedness to Taxing Authorities
 6. Insurance requirements
- 6.3 The City of Houston reserves the sole right to (1) evaluate the qualifications submitted; (2) waive any irregularities therein; (3) select Respondents for the submittal of more detailed qualification; (4) accept any submittal or portion of a submittal; (5) to make changes to the procurement process set forth in this RFQ or to cancel it with or without substitution of another procurement process; and/or (6) reject any or all Respondents submitting qualifications, should it be deemed in the City's best interest.
- 6.4 All SOQs shall become the property of the City and will not be returned. At the conclusion of the process, the City may dispose in compliance with Texas law governing records retention of any and all SOQ copies, correspondence, or documents associated with this RFQ.



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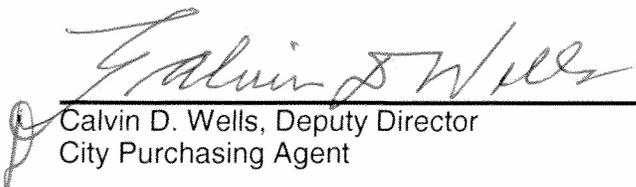
Additional Required Documents:

The documents listed in the table below must be provided with the proposal:

TABLE 1 - REQUIRED FORMS
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
Statement of Residency.doc
Drug Forms
Pay or Play Acknowledgement Form & Certification of Agreement to Comply with Pay or Play
All Applicable Items as Referenced and Required in Scope of Work/Specifications

Additional Required Documents can be found on the SPD e-bid website at:

http://purchasing.houstontx.gov/solicitation_forms.html


 Calvin D. Wells, Deputy Director
 City Purchasing Agent


 Date