

	<p align="center"> CITY OF HOUSTON ADMINISTRATION & REGULATORY AFFAIRS DEPARTMENT S46-Q24000 NOTICE OF REQUEST FOR QUALIFICATION (RFQ) </p>	<p align="center"> STRATEGIC PURCHASING DIVISION 901 Bagby Street, Concourse Level Houston, Texas 77002 (832) 393-8704 (832) 393-8759 Fax </p>
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GENERAL TERMS & INSTRUCTIONS

The City of Houston Administration and Finance Department (the City) is issuing this Request for Qualifications ("RFQ") to qualified professional firms (Consultant Firm) to provide "Consulting Services for Citywide Accounts Receivables and Collections Operations henceforth referred to as the "AR Project".

SOLICITATION DUE DATE/TIME:

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

SUBMITTAL PROCEDURES:

Your response 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. Consulting Services for Citywide Accounts Receivable and Collections Operation – "AR Project".

Additionally, the following information should be included in your submittal:

- A Letter of Interest notifying the City of the provider's intent to be considered for this project,
- Statement of Qualifications, and
- Statements of Understanding.

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 **Tuesday, June 28, 2011 at 10:00 a.m. in SPD Conference Room 1 at 900 Bagby Street, Houston, Texas, 77002.** If you should have any questions regarding this RFQ, please send them via e-mail to eric.alexander@houstontx.gov

ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:

Prospective respondents needing additional information/clarification to this request for qualifications (RFQ) are requested to e-mail questions to Eric Alexander; eric.alexander@houstontx.gov. The deadline for submitting questions is **Tuesday, July 5, 2011 at 9:00 a.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 RQP.

The RFQ is comprised of the following sections:

- Section 1: Introduction
- Section 2: Background
- Section 3: Scope of Work
- Section 4: Statement of Qualifications
- Section 5: Selection and Evaluation Criteria
- Section 6: Additional Document

1.0 INTRODUCTION

1.1 The City of Houston ("City") is currently seeking Responses from vendors related to its Citywide Accounts Receivables and Collections operations, henceforth referred to as the "AR Project".

2.0 BACKGROUND

2.1 The City of Houston Finance Department currently, has a decentralized approach to Accounts Receivables (AR) and Collections across all departments. The City is seeking a vendor with experience in AR and Collections processes that can assist the City in support of its overall strategic goals to improve collections processes across all departments.

An assessment and review of the collection processes was conducted to look at and validate the City's overall strategic goals of improving collections.. This assessment revealed "the City" has a decentralized approach to Accounts Receivables (AR) and Collections across all departments.

2.2 The City has examined its AR from a very high level, with the chance to do "deep dive" due diligence in only select areas and Departments. Based on current analysis, it can be concluded that it is difficult to effectively and efficiently collect on past due receivables in the City. Moreover, collections and overdue receivables have not been aggressively pursued in the past. Issues range from:

- Non-existent and sometimes inconsistently stated and/or applied policies
- Billing process inadequacies that lead to revenue leakage along multiple points of the order-to-cash process



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- Inadequate or antiquated technology
- Inexperienced collections personnel

2.3 Following are key observations that are observed Citywide in the decentralized administration of AR:

- Revenue recovery has not been a primary goal; there are no metrics
- Aged receivables are often not currently monitored and most systems are not configured to produce aged reports
- It is difficult to obtain the proper collections reports since the reports have to be manually generated. This makes it challenging to effectively assess and collect on outstanding debt owed
- Databases and systems used to process and store customer data and transactions are different across and within departments and their revenue streams. In addition, many of the databases and systems do not talk with each other; the same customer and collections data is re-keyed multiple times along the process, making the process manually intensive and the likelihood for data entry errors high
- Collections processes are inconsistently defined and applied
 - Standard Operating Procedures (SOPs) need to be updated to include collections best practices
 - Departmental finance and revenue organizations handle the collections processes for only some of their revenue streams, the remainder are covered within the individual bureaus
 - The cash applications process is non-existent; funds in most cases are deposited at an account level rather than applied at the transaction level; thus visibility to the life of the transaction is poor
- Reorganizations over the years have consolidated staff but have been accompanied by minimal or one-off automation efficiency improvements
- As City ordinances and rules have changed which affect collection efforts, it is unclear what methods are used to notify personnel, update department policies, procedures and systems, and retrain personnel

2.4.1 The City currently uses SAP as its ERP system for financial reporting purposes, although presently the Accounts Receivables module is not implemented. The City is currently in the design phase to implement the SAP Accounts Receivables and Sales & Distribution modules, as well as develop custom reports and interfaces to a pilot revenue stream (Health and Human Services Laboratory Billing).



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2.4.1 Below is an example of the technologies observed in the Health and Human Services Department's revenue streams, which is illustrative of the IT challenges faced Citywide within the scope of the AR Project. This diagram includes all systems that are involved in the AR and Collections process, including operational line of business applications.

REVENUE STREAM (# of Systems)	ACCOUNT INFO (10)	BILLING (10)	COLLECTION (11)	POSTING (1)
POOL	ORACLE	ORACLE	ORACLE AMCAD	SAP
SOURCE REGISTRATION	AS400	AS400	AS400 AMCAD	
FOOD	GARRISON	GARRISON	GARRISON AMCAD	
AMBULANCE	ACCESS	ACCESS	ACCESS AMCAD	
FATS, OILS, GREASE (FOG)	ORACLE GARRISON	ORACLE GARRISON	ORACLE GARRISON AMCAD	
VITAL STATISTICS	AMCAD	ACCESS	ACCESS	
LAB (CLINICAL)	CYBERLAB	ORACLE	ORACLE	
LAB (ENVIRONMENTAL)	ACCESS	ORACLE	ORACLE	
CLINIC	QUICK RECOVERY	QUICK RECOVERY	QUICK RECOVERY	
LEASE (MULTI-SERVICE)	ACCESS	ACCESS	ACCESS	

- Data is transferred manually between applications resulting in increased probability of data discrepancies between and amongst systems within a revenue stream
- Software selections are decentralized; thus applications vary within and across the revenue streams
- Efforts are underway to move Pool, Source Registration, Ambulance and FOG permitting/collection to Garrison
- Other system projects in-progress include: Telcor billing (Lab Clinical) & end-to-end patient management (Clinic)

2.5 The City is seeking a vendor with experience in AR and Collections processes that can assist the City in support of its overall strategic goals to improve collections processes across all departments.



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3.0 SCOPE OF WORK

- 3.1 The City expects to procure the professional services of one or more vendors with a think large & work small perspective, and with the skills & experience required to improve collections processes Citywide, and accomplish the following:
- 3.1.1 Conduct a rigorous data review process in order to determine the current state of AR and Collections.
 - 3.1.2 Assess the current state of the City's six (6) third party collections vendors.
 - 3.1.3 Establish priorities to achieve short term wins that generate additional cash flow throughout the project.
 - 3.1.4 Assist the City with business process mapping, design requirements, process re-engineering, and training related to its deployment of SAP Accounts Receivable and Sales & Distribution modules.
 - 3.1.5 Develop the long-term vision and build a foundation to establish common collections practices across departments through development of policies and procedures and citywide training of collections staff.

4.0 STATEMENT OF QUALIFICATION

- 4.1 This RFQ is seeking responses (outlined in the Statement of Qualifications) from qualified vendors that:
- Describes their recommended approach for achieving the City's objectives
 - Demonstrates their qualifications to apply the professional skills required to successfully execute their recommended approach
 - Considers the very tight timelines expected for success

To ensure successful execution of the AR Project, the City will coordinate and provide support to the selected Vendor.

4.2 Statement of Qualifications (SOQ)

- 4.2.1 To be considered, firms must submit a specific Statement of Qualifications (SOQ) that consists of the following individual requirements that shall be comprehensively addressed by Vendors in their Responses (each requirement shall be addressed in an individual section of the Response).

The SOQ must include:

1. Please provide a brief history of your firm, and also describe your firm's previous experience in executing AR and Collections projects of a nature similar to this project. The City requires a description of three (3) recently completed projects with references from the clients' organizations and the cost history based on percentage difference between the estimate accepted by the clients at the project kick-off and the final cost of the project.



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2. Please provide resume(s) of personnel proposed for executing the subject project, highlighting the track record in effective execution of projects related to Accounts Receivables and Collections operations, Vendor Management Strategy, and Financial Process Improvement including, but not limited to, business process mapping, design requirements, process re-engineering, change management, and public sector experience, particularly in large decentralized municipalities.

Note: The City will include language in any contract resulting from this solicitation that identifies the actual members of the consulting team.

3. Please indicate the earliest date when your proposed personnel would be available to start execution of the subject project.
4. Please indicate if your proposed personnel would be fully dedicated to the subject project or if they would be working on other projects at the same time. In the latter case, please indicate the percentage of the proposed personnel's time that would be dedicated to the subject project.
5. Please include in your response:
 - a. A detailed project plan for the AR Project that will accomplish the City's goals (Scope of Work) that is outlined into key deliverables at the highest level, which then shall be broken down into key issues and activities related to each high level deliverable. Emphasis of the importance, intensity, or duration of activities is appreciated, but not required.
 - b. Detailed description of data and other inputs/resources required from City to enable successful execution of the AR Project.
 - c. Identification of project critical success factors and risks.
 - d. Estimate of your personnel required to complete the AR Project based on the aforementioned detailed project plan. Personnel requirements shall be indicated based on their seniority level (e.g., entry-level associate/consultant, intermediate-level specialist/senior associate, manager, senior-level project manager, partner, etc.). Personnel requirements shall be further broken down into estimated hours for the project for each seniority level category.
 - e. Confirmation of local presence – either as the principal or through a contractor.

5.0 EVALUATION

Evaluation of each response shall be done in the following order:

- Proposed Strategy and Operational Plan 70%
- Qualifications, Experience and Expertise 30%
(Previous experience in executing project of similar size and scope)



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6.0 ADDITIONAL INFORMATION

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

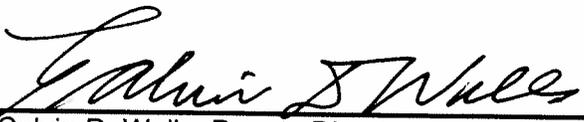
1. The City's MWBE program and will agree to a fair and reasonable MWBE goal
2. The City's insurance and health insurance (Pay or Play) requirements
3. That the City will require the selected firm(s) to maintain an appropriate level of General, Automobile, Workers Compensation, and Professional Liability insurance
4. That selected firms may have to provide the City with a performance bond or letter of credit to cover potential damages if the firm fails to perform in accordance with the contract
5. That the City will not agree to a limitation of liability clause in the contract between the firm and the City of Houston
6. That the City will retain the rights to the intellectual properties developed under the contract for this project.

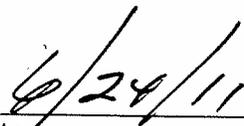
The documents listed in the table below must be provided with the response:

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