



CITY OF HOUSTON
ADMINISTRATION & REGULATORY
AFFAIRS DEPARTMENT
S22-Q24419
NOTICE OF REQUEST FOR QUALIFICATION

STRATEGIC
PURCHASING DIVISION
901 Bagby Street, Concourse
Level
Houston, Texas 77002

GENERAL TERMS & INSTRUCTIONS

The City of Houston ("City") Administration and Regulatory Affairs Department ("ARA") is issuing this Request for Qualifications ("RFQ") to select a qualified firm to provide a compliance review of CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations ("CenterPoint-Entex") 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 Ray DuRousseau, Deputy Assistant Director, at ray.durousseau@houston.tx.gov or Carlethya Guillory, Staff Analyst, at carlethya.guillory@houston.tx.gov by Thursday, **November 15, 2012, at 2:00 p.m. CST.**

SUBMITTAL PROCEDURES:

The proposal can be delivered as follows:

E-mail (preferred method): ray.durousseau@houston.tx.gov or carlethya.guillory@houston.tx.gov

Fax Number: (832) 393-8758

Mail: City of Houston
Strategic Purchasing Division (Suite B400, Room B402)
901 Bagby Street
Houston, Texas 77002

Please provide a cover sheet bearing the assigned Solicitation Number, the respondent's name and the name of the project, i.e. 2012 CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations 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 above. Failure to submit all requested information as stated in this RFQ may be subject for disqualification from the RFQ process.

PRE-SUBMISSION CONFERENCE: The City will conduct a Pre-submission meeting on Thursday, **November 1, 2012 at 10:00 a.m. in the SPD Conference Room 1 at 901 Bagby Street.** If you have any questions regarding this RFQ, please send them via e-mail to ray.durousseau@houston.tx.gov or carlethya.guillory@houston.tx.gov. Attendance at the Pre-submission conference is not mandatory.



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ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:

Prospective respondents needing additional information/clarification to this RFQ are requested to e-mail questions to Ray DuRousseau at ray.durousseau@houstontx.gov or Carlethya Guillory at carlethya.guillory@houstontx.gov. The deadline for submitting questions is Wednesday, **November 7, 2012 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 qualified firms. The scope of work will be limited to providing a franchise compliance review of CenterPoint- Entex's municipal franchise with the City.
- 1.2 The City will use the responses to this RFQ to select a qualified firm to provide a franchise compliance review of CenterPoint-Entex. The fee schedule will be negotiated with the selected respondent. Should the City and the selected respondent 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 qualified firm to provide a franchise compliance review of the CenterPoint-Entex franchise for the period January 1, 2010 through December 31, 2012.
 - Obtain a franchise compliance review of CenterPoint-Entex that will form the basis of future claims against CenterPoint-Entex (if so warranted).
 - Have the compliance review completed within 1 calendar year of commencement.
- 2.2 By December 14, 2012, the City of Houston Administration and Regulatory Affairs Department ("ARA") intends to notify CenterPoint-Entex of its intent to conduct a compliance audit of franchise fee payments for the period January 1, 2010 through December 31, 2012. As such, the City seeks professional services to ensure compliance with the requirements set forth in the



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CenterPoint-Entex franchise agreement, specifically in relation to the franchise fee payment to the City.

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-Entex franchise agreement and become familiar with its provisions and requirements to assure CenterPoint-Entex's compliance.
- 3.1.2 Develop an overall plan of audit, including if necessary, a sampling plan for selecting individual customer accounts for further review.
- 3.1.3 Conduct an independent review and verification of CenterPoint-Entex's actual historical payments, with emphasis on the type of revenues collected by CenterPoint-Entex to which it may not have applied a franchise fee charge.
- 3.1.4 Review and verification of CenterPoint-Entex's calculation of the annual franchise fee payments made to the City of Houston.
- 3.1.5 Conduct an independent review to determine timeliness of franchise fee payments during the review period.
- 3.1.6 Conduct an independent review and verification of CenterPoint-Entex's gross revenues, both inside and outside the incorporated City limits of Houston.
- 3.1.7 Review findings and recommendations in previous audit of CenterPoint-Entex's franchise agreement with the City of Houston.

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-Entex's annual franchise fee payment calculation over the review period.
- 3.2.3 Identify and document any late franchise fee payments to the City.



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- 3.2.4 Identify any deficiencies or omissions in CenterPoint-Entex's gross revenues, including any accounts incorrectly coded inside or outside of the incorporated limits of the City of Houston.
- 3.2.5 Document each confirmed error or omission, including correction date (if any), account number, and any franchise fee due to the City.
- 3.2.6 Document any other noticeable discrepancy.
- 3.2.7 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 respondents. 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 2012 CenterPoint Energy Resources Corp., DBA CenterPoint Energy Texas Gas Operations 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 respondent to sign the document and bind the respondent to the representations contained therein. The transmittal letter shall contain the name(s) of the respondent(s). At least one copy of the transmittal letter shall contain the original signature of a partner, principal, or officer of the respondent. 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 Résumés)
 - Organizational Chart: Provide a simple organizational chart of the Respondent showing the reporting structure and functions, including MWBE components.
 - Provide a résumé for each supervisory person that includes any direct experience that relates



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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.

G. Section 5 Divider (Description of Services)

Provide a detailed response listing what procedures and methodologies the firm intends to utilize in determining CenterPoint-Entex's compliance with their franchise. Please be specific as it relates to both franchise fee payments and gross revenue reporting 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 Respondent(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



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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/EVALUATION 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 Respondent(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:

- Firm describes the services it would provide and procedures developed to determine CenterPoint-Entex's compliance with the requirements set forth in the CenterPoint-Entex franchise agreement, specifically as relates to the franchise fee payment to the City and verification of gross revenues **(maximum 35 points)**;
- Firm describes recent auditing experience similar to the type of review required **(maximum 25 points)**;
- Firm lists names, addresses, and telephone numbers of three references for its professional services **(maximum 15 points)**;
- Firm identifies the partners, managers, supervisors, and staff who will work on the review. Includes résumés 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)**.
- Firm has the demonstrable ability to subcontract 15% of services to City of Houston certified Minority or Women Business Enterprises **(5 points)**;
- Firm has a Significant Business Presence in the Local Area **(maximum 5 points)**.

NOTE: Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and



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Non-Local Business will receive zero (0) extra percentage points).

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 coverage, 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 2012 CenterPoint-Entex Franchise Review as signified by either: (a) the execution of a Professional Services Agreement between the City and a qualified firm; or (b) the decision of the City Council to pursue some other course of



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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.

- 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 RESPONDENT MAY SUFFER FROM THE DISCLOSURE OF SUBMITTED INFORMATION OR MATERIALS TO THIRD PARTIES.
- 6.1.9 In the event that a 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 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 Firm, the City shall notify the Firm of the request prior to the release of the Documents and shall give the Firm the opportunity to take whatever legal action it deems appropriate to protect information that the Firm believes is confidential. Nothing in this paragraph or anywhere else in this RFQ 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 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



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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.

Additionally, the documents listed 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
PoP 1a Pay or Play Acknowledgment Form
Contractor Questionnaire
All Applicable Items as Referenced and Required in Scope of Work/Specifications

**All forms can be downloaded from the following link: <http://purchasing.houstontx.gov/forms.shtml>
Offeror will be able to click and print each required document from this site.*

- **HIRE HOUSTON FIRST:**

Designation as a City Business or Local Business

To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or respondent must submit the **Hire Houston First Application and Affidavit ("HHF Affidavit")** to the Director of the Mayor's Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

Download the HHF Affidavit from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

www.houstontx.gov/obo/moreforms/hirehoustonfirstaffidavit.pdf



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Submit the completed application forms to: Mayor's Office of Business Opportunity, Houston Business Solutions Center, 611 Walker Street, Lobby Level, Houston, Texas 77002 or Applications may be submitted via e-mail to HHF-MOBO@houstontx.gov or faxed to 832.393.0650.

Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative---Pursuant to Chapter --- of the Local Government Code

IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "LOCAL BUSINESS," AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A "CITY BUSINESS," AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED IN SECTION 15-181 OF THE CODE.

Calvin D. Wells, ARA Deputy Director
City Purchasing Agent

10/19/12
Date