



CITY OF HOUSTON

FINANCE DEPARTMENT
Strategic Procurement Division

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June 27, 2016

Subject: Letter of Clarification No. 1

Reference: Request for Quotation (RFQ) No.: S76-Q25857

To All Prospective Respondents:

This Letter of Clarification is issued for the following reasons:

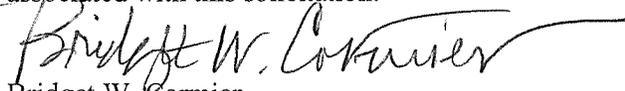
The following questions and requests for clarification were submitted in accordance with the instructions provided in Section B. Additional Information and Specification Changes and Section C. Letters of Clarification in the above referenced RFQ. The City's response follows each question or request for clarification in the table below:

1. Question	Are there any department functions or program costs within the two major targeted funds that would be excluded from any cost reductions to achieve a sustainable budget?
Answer	<i>No departmental functions or programs in the identified funds (General Fund and the Dedicated Drainage and Street Repair Fund aka ReBuild Houston) are to be excluded from review; however, the administration holds a strong preference for reductions that will not negatively impact service delivery. Further, increased police staffing is stated priority for the administration, which also excepted the Parks and Recreation Department from cost reductions during the most recent budget process.</i>
2. Question	Would the City consider revenue increases and new revenue sources as potential recommendations to address the budget deficit? Are there any revenue areas within the two major funds that would be excluded from any increase?
Answer	<i>The City may be willing to consider revenue increases and new revenue sources as potential options for addressing budget deficits, but cost reductions and efficiencies are preferred and any proposal for increased revenue will receive considerable scrutiny from the administration before inclusion in the final long-range plan.</i>
3. Question	First paragraph of Part II-Scope of Work-a statement was made that work shall be performed on an as-needed basis and that each project/task that is assigned, the City staff will first discuss the project/task, and then determine the qualified firms deliverables, required work effort and timeline on the project/task. How does the City want the pricing proposal to cost the future as needed project work?
Answer	<i>The City would like a pricing proposal that includes an anticipated total cost broken down by the tasks identified and including hourly rates and estimated time requirement</i>

	<i>(for full transparency on how the proposal is built). For potential future work, please identify likely staffing and hourly rates if these differ from those included in the project pricing proposal.</i>
4. Question	In the Project Summary, it was stated that this is to be a one (1) year contract with one (1) year option to renew for Consulting Service related to the development of the City of Houston's long-range financial plan. Please clarify what other work is envisioned after the submission of the 10-year Fiscal Plan, which is due no later than February 2017 and the City expects the initiation of this project to begin around August 2016. Similar to the bullet above, how does the City want the RFQ to provide pricing for work completed after the submission of the February report?
Answer	<i>Work envisioned after submission of the plan is to be determined; any work requested is likely to incorporate additional exploration of budget improvement options identified in the plan. For pricing, please identify likely staffing and hourly rates if these differ from those included in the project pricing proposal.</i>
5. Question	Does the City have any system that it uses currently for its budgeting process? If so, please name. Is the budget planning system utilized by departments funded with two targeted funds
Answer	<i>Yes – we currently use an Operating Budget system called Budprep system. It is a crystal based developed and managed by the Finance Department. Yes – it is utilized by the department to input their information for each of the operating funds.</i>
6. Question	Will the City make historical revenue and expense actuals for the major departments and programs by revenue or expense code available in an electronic format?
Answer	<i>Yes.</i>
7. Question	How integrated are the financial and operational data kept at the City? For example, are the financial data for the Fire Department stored in the same database/storage space as the database for the fire trucks, real estates, other physical assess, operational statistics, training qualifications, etc.....?
Answer	<i>Financial information is currently stored in SAP-this includes financial data and assets. However, there are other systems to record other information such as trainings.</i>
8. Question	I am writing to request a two week extension of the deadline. Would it be possible to move the deadline from July 7 to July 21? A deadline of July 21 would allow us to confidently submit a complete response to this RFQ
Answer	<i>No.</i>

This Letter of Clarification will be considered part of the solicitation reference on the first page of this document. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Procurement Division and the Finance Department.

Furthermore, it is the responsibility of each Proposer to obtain any previous Letter (s) of Clarification associated with this solicitation.



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