



CITY OF HOUSTON
Administration and Regulatory Affairs Department
Strategic Purchasing Division

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Mayor

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September 27, 2011

Subject: Letter of Clarification No. 1 to Request for Proposal No. S22-T24063 for Low or Zero Emission Vehicle Lease for the Fleet Management Department

To: All Prospective Proposers:

This letter of Clarification is being issued for the following reasons:

- To revise certain portions of the Special Instructions to Offeror(s), Specifications/Scope of Work, Exhibit I – Offer and Submittal, and to answer questions posed by prospective offerors.
1. Special Instructions to Offeror(s):
 - Delete page 5 and replace with the attached page 5 marked “Revised 9/26/2011.”
 2. Specifications/Scope of Work:
 - Delete pages 10, 11, 14 and 16 and replace with the attached pages 10, 11, 14 and 16 marked “Revised 9/26/2011.”
 3. Exhibit I – Offer and Submittal:
 - Delete page 21 and replace with the attached page 21 marked “Revised 9/26/2011.”
 4. The following are questions posed by prospective proposers and City's response:

Question No. 1 Reference Section 2.0/2.2 about the 180 day binding offer. If our proposal says that we are offering 23 vehicles for sale, are we legally bound to set those cars aside on our lot? In other words, are we allowed to offer them for sale to the general public during the selection process?

Answer: Provision 2.2 requires the offeror to guarantee/hold the price(s) offered for 180 days. This provision does not require the offeror to set aside the vehicles or hold the vehicles on the lot for 180 days.

Question No. 2 Can we (the dealer) alter the proposal, once submitted?

Answer: No. Also, see page 4, Section 8.1.

Question No. 3 Reference the specifications/scope of work section. Do you want an exception list to what you guys have outlined (things that are not included on our vehicle like tilt steering) or do you want a list of what our car does have?

Answer: Review the specifications that are included in the RFP and delete the features/items that the vehicle proposed does not have/meet and create a list of additional features/items and benefits that the vehicle proposed does have/possess.

Question No. 4 Please answer the below listed questions for XXX Commercial Vehicle Lending?

Partnering to better serve Houston

Letter of Clarification No.1 Request for Proposal No. S22-T24063 for Low or Zero Emission Vehicle Lease

- Name of department using equipment:
 - *Fleet Management Department*
- Street Address
 - *900 Bagby, Houston, TX 77002*
- Billing Address
 - *Fleet Management Department*
2nd Floor
900 Bagby, Houston, TX 77002
- Accounts Payable Contact & Phone Number:
 - *Jennifer Johnson*
Deputy Assistant Director
832-393-6910
- Name and Title of Signators (exact names and titles of everyone signing the contracts):
 - *Anise D. Parker, Mayor*
Ronald C. Green, City Controller
Anna Russell, City Secretary
- Intended Vehicle Use:
 - *The vehicles will be used as pool vehicles for employees attending meetings.*
- Vehicle Garage Locations:
 - *Tranquility Garage*
400 Rusk
Houston, TX 77002
- Copy of the Insurance Policy:
 - *The City has purchased commercial insurance that will fully insure the specified leased vehicles. Proof of insurance will be provided to the awarded vehicle dealer.*
- What is your current fleet size?
 - *12,500 vehicles*
- What % of that fleet is Nissan/Infiniti vehicles:
 - *Less than 1% (2 Nissan Leafs)*
- Have funds been appropriated for the vehicles requested? Please provide verification:
 - *Funding has been identified. The appropriation of funds will be made concurrently with the contract award.*
- Are there any reasonably anticipated budgetary or legal factors that could impair the City of Houston's financial condition in the next 12 months:
 - *None at this juncture.*

When issued, Letter(s) of Clarification shall automatically become a part of the RFP documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the proposer to ensure that it has obtained all such letter(s). By submitting a proposal for this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation.

Furthermore, it is the responsibility of each proposer to obtain any previous Letter of Clarification associated with this solicitation.

S.R. DuRousseau
S. R. DuRousseau, C.P.M.
Deputy Assistant Director
832-393-8726

- 9.2.1 The signature of the protester or its representative who has the delegated authority to legally bind the person protesting;
- 9.2.2 Identification of the RFP description and the RFP or contract number;
- 9.2.3 A detailed written statement of the legal and factual grounds of the protest, including copies of relevant documents, etc.; and
- 9.2.4 The desired form of relief or outcome, which the protester is seeking.

9.0 PUBLIC NATURE OF DOCUMENTS AND DISCLOSURE OF CONFIDENTIAL INFORMATION

- 10.1 Upon the Solicitation as signified by either: (a) the execution of an Agreement between the City and a Offeror(s); or (b) the decision of the City Council to pursue some other course of action, Submittals, Proposals, 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.
- 10.2 By submitting a Proposal in response to this RFP, Offeror(s) recognize and agree that the City will not be responsible or liable in any way for any losses that the Offeror may suffer from the disclosure of submitted information or materials to third parties.
- 10.3 In the event that an Offeror believes that any Document it submits is confidential, proprietary or privileged, and not subject to disclosure under Texas law relating to public records, the Offeror 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 RFP and that request includes information marked as confidential by the Offeror, the City shall notify the Offeror of the request prior to the release of the Documents and shall give the Offeror the opportunity to take whatever legal action it deems appropriate to protect information that the Offeror 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 Offeror in response to this RFP.

10.0 HIRE HOUSTON FIRST:

http://purchasing.houstontx.gov/forms/hire_houston_first_ordinance.pdf

- 11.1 Pursuant to City Ordinance No. 2011-766, the following Hire Houston First compliance points ("HHF Points") will be added to the total evaluation points awarded for proposal submitted:
 - 11.1.1 5% of the total evaluation points available for a "City Business", and
 - 11.1.2 3% of the total evaluation points available for a "Local Business".

**PART I
GENERAL SPECIFICATIONS
FOR
VARIOUS TYPES OF LOW OR ZERO EMISSION VEHICLES**

1.0 OBJECTIVE:

- 1.1 The City of Houston is seeking proposals for up to 23, leased energy efficient low and zero emission electric vehicles (EVs).
- 1.2 To reduce the cost of operation and environmental impact from 23 vehicles within the City of Houston.
- 1.3 Lease EVs for a three year term and pay the entire lease cost upfront in one lump sum payment.
- 1.4 Have the option to purchase the EVs upon lease expiration or sooner.

2.0 PROPOSALS:

3.0 Municipal Lease:

3.1 This Request for Proposal is for the municipal lease of the electric vehicles specified in Part II: Technical Specifications.

- 3.1.1 The lease price quoted should include credit for any state or federal rebates for the purchase of electric or low emission vehicles.
- 3.1.2 The lease price should not include charges for any taxes from which the City is exempt, including, personal property, sales, use, lease or luxury taxes. The City's Texas Tax Exemption number is 1-74-600-1164-0 and the City's Federal Tax Exemption number is 74-6001164.
- 3.1.3 City shall have the option to purchase the vehicle upon the expiration of the lease for its residual market value, which should be stated in the Proposal.
- 3.1.4 City shall have the option to also purchase an extended warranty if it elects to exercise its option to purchase. The cost of the extended warranty should be stated in the Proposal.

3.2 Award:

- 3.2.1 Award will be made on the basis of the **criteria set forth in the Evaluation and Selection Process, quantity and availability (capable of delivery by 12-15-11)** submitted for the specified electric vehicles and meeting all specifications.
- 3.2.2 The City reserves the right to award all 23 vehicles to one Offeror, divide the total sought among two or more Offerors, or make no award to any Offeror. The City reserves the right to select different types or categories of vehicles meeting city specifications to meet the different and varied needs of one or more City departments.

3.3 Municipal Lease Financing Payment Agreement:

3.3.1 The projected term of the lease shall be for three (3) years with a one-time lump sum lease payment.

3.3.2 Annual Mileage Allowance

3.3.2.1 The annual mileage allowance for each vehicle leased in this agreement may not be less than 15,000 miles.

- 3.3.2.2 The annual mileage allowance may be more than the above minimum or unlimited.
- 3.3.2.3 Proposers shall provide any per-mile charge per vehicle for mileage that exceeds the annual mileage allowance specified in 2.3.2.1 above.
- 3.3.3 The specified electric vehicles shall be titled at the beginning of the lease/purchase agreement to the City of Houston with the awarded Vehicle Dealer as the First Lien Holder.
- 3.3.4 Lease payments shall be processed to the awarded Vehicle Dealer (Lessor) by the City of Houston (Lessee).
- 3.3.5 **Delivery, Acceptance and Payments:**
 - 3.3.5.1 The City of Houston shall provide a written notice of delivery and acceptance to the awarded Vehicle Dealer upon delivery and acceptance of each of the specified vehicle(s).
 - 3.3.5.2 The City of Houston, upon delivery and acceptance of the specified vehicle(s), shall process **the one-time lump sum** lease/purchase payment upon receipt of the awarded Vehicle Dealer's invoice(s) and all subsequent payments, if any, shall be made upon the receipt of the awarded Vehicle Dealer's invoices.
 - 3.3.5.3 All lease/purchase payments shall be made within thirty (30) calendar days after the City of Houston's receipt and acceptance of the specified vehicles or the receipt and approval of the awarded Vehicle Dealer's invoice(s), whichever occurs later.
- 3.3.6 **Prepayment of Agreement:**
 - 3.3.6.1 The City of Houston shall have the right to prepay the agreement without penalty.
 - 3.3.6.2 The City of Houston shall provide a thirty (30) calendar day written notice to the awarded Vehicle Dealer of its intent to prepay the agreement and request an invoice(s) in the amount of the unamortized balance.
- 3.4 **Return of Vehicle(s):**
 - 3.4.1 Vehicle(s) shall be returned by the City of Houston to an awarded Vehicle Dealer's facility located within the Houston-Galveston Region (Harris County and its seven adjacent counties: Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery and Waller).
- 3.5 **Vehicle(s) Usage and Maintenance:**
 - 3.5.1 The City of Houston will operate the vehicles in a manner as intended by the vehicle manufacturer.
 - 3.5.2 The City of Houston shall be responsible for all routine maintenance and any required repairs, excluding those that are covered by the vehicle manufacturer's warranty or mandatory or voluntary recall.
- 3.6 **Alterations to Vehicles:**
 - 3.6.1 The City shall not make any alterations, additions or improvements to the vehicle(s), without the awarded Vehicle Dealer's prior written consent.
- 3.7 **Location and Inspection of Vehicles:**
 - 3.7.1 The permanent base for these vehicles shall be at various City of Houston facilities and the vehicles shall be made available for the awarded Vehicle Dealer's inspection with prior written notification to the City of Houston.
 - 3.7.2 Inspections may be conducted on normal City of Houston business work days, between the hours of 9:00 a.m. and 3:00 p.m.

- 7.2 The Offeror shall be responsible for securing any and all inspections required by law, including State Inspection stickers. Any fee charged for these inspections shall be the responsibility of the Offeror and not the City of Houston.
- 7.3 At the time of delivery to the City of Houston, the Offeror shall be required to provide temporary paper license tags/plates for motor vehicles or other equipment required by the State of Texas to be registered for operation on public highways.
- 7.3.1 The City of Houston will provide the necessary documents and forms for the Offeror to file with Harris County for exempt plates.
- 7.4 TEXAS OCCUPATIONS CODE, TITLE 14, CHAPTER 2301 (Formerly known as "The Texas Motor Vehicle Commission Code"):
 - 7.4.1 Section 2301.251: License Required: Generally (a) Unless a person holds a license issued under this chapter authorizing the activity, the person may not (1) engage in business as, serve in the capacity of, or act as a dealer, manufacturer, distributor, converter, representative, vehicle lessor, or vehicle lease facilitator in this state.
 - 7.4.2 Sec. 2301.252: License required: Sale of New Motor Vehicles:(a) A person may not engage in the business of buying, selling, or exchanging new motor vehicles unless the person: (1) holds a franchised dealer's license issued under this chapter for the make of new motor vehicle being bought, sold, or exchanged; or (2) is a bona fide employee of the holder of a franchised dealer's license.
 - 7.4.3 **The Act of Submitting a Proposal is regarded as doing business, as the entity is soliciting a sale.** Accordingly, each proposer must be a **licensed franchised dealer** at the time the proposal is submitted.
- 8.0 Delivery/Inspection:**
 - 8.1 The item(s) specified herein, with delivery tickets and/or other required documents shall be delivered Prepaid F.O.B. Destination to the location(s) shown on the purchase order(s) **within the delivery time(s) as listed in the Technical Specifications** after receipt of City of Houston Purchase Order.
 - 8.2 The Offeror will be expected to notify the City Contact listed in the "Ship To" section of the purchase order not less than three (3) days prior to expected delivery/arrival to permit inspection scheduling. The City Contact shall advise Offeror as to the date, time and location of authorized delivery/location. An authorized representative of the Offeror will be expected to supervise delivery to the City. The City will not assume any liability for any vehicle/equipment delivered to an unauthorized location and/or any vehicle/equipment delivered but not accepted by the City.
- 8.3 Documentation at time of Delivery:**
 - 8.3.1 The Offeror will be expected to provide the following documentation **per purchase order** upon delivery:
 - 8.3.1.1 Copy of purchase order(s) and invoice(s). ***(See subparagraph 1.9.1 on page 18 for specific requirements.)***
 - 8.3.1.2 Temporary paper license tags/plates paperwork for vehicles being delivered.
 - 8.3.1.3 Warranty policy(ies) and/or certifications as may be required in the Specifications.
 - 8.3.1.4 Parts, service, operator and maintenance manual(s) as may be required in the Technical Specifications.
 - 8.3.2 City of Houston will provide completed Application for Texas Certificate of Title, Application for Standard Texas Exempt License Plate, and Leased Vehicle Affidavit.
- 8.4 Vehicle battery must be at least 50% charged when delivered. If vehicle uses gasoline, tank must also be at least one-half full when delivered.
- 8.4 Vehicle must have been undergone state required inspection and display decal indicating it passed inspection.

1.1.3 Brakes

1.1.3.1 Four-wheel power-assisted front vented and rear disk brakes

1.1.3.2 Regenerative brakes

1.1.3.3 Four-wheel anti-lock braking system (ABS)

1.1.3.4 Electronic brake force distribution

1.1.3.5 Brake Assist

1.1.3.6 Parking brake

1.1.4 Electric power-assisted rack and pinion steering

1.1.5 SAE J1772 plug in receptacle for charging at either 120 or 240 VAC

1.1.6 Automatic Traction Control if available

1.2 **EXTERIOR:**

1.2.1 Manufacturer's standard white body color

1.2.2 Body-color front and rear bumpers

1.2.3 Body-color dual power outside mirrors

1.2.4 Tinted glass

1.2.5 Charge-door release

1.2.6 Manufacturer's OEM wheels and tires

1.2.7 Radio Antenna

1.2.8 All lights and reflectors required by TXDOT

1.3 **INTERIOR:**

1.3.1 Two sets of keys and remote keyless entry devices.

1.3.2 ***"Deleted as it duplicates 1.3.1 above".***

1.3.2 Air Conditioning/heating

1.3.3 Automatic Temperature Control

1.3.4 Odometer

1.3.5 Power door locks with auto-locking feature

1.3.6 Power windows with driver's one touch auto up/down feature

1.3.7 Tilt steering column, ***if available***

1.3.8 Variable intermittent windshield wipers

1.3.9 Auxiliary 12-volt DC power outlet

1.0 EVALUATION SUMMARY:

1.1 An evaluation committee will develop a short list of Offeror(s) based upon the initial review of each Proposal received. The short listed Offeror(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 Offeror(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Offeror(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

2.0 SELECTION PROCESS:

2.1 The award of this contract(s) 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 Offeror(s) to create, modify and implement the required application modules. The Offeror(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 Offeror(s) fails to satisfy the City or the Offeror(s) is deemed unqualified to provide the services contemplated. The City may select different types or categories of vehicles meeting city specifications, and is not limited to leasing and/or purchasing all vehicles from a single vendor.

3.0 EVALUATION CRITERIA:

3.1 Each Proposal will be evaluated on the basis of the following weighted evaluation criteria that are listed in order of importance below:

3.1.1	Lease Price	30 (Maximum Points)
3.1.2	Capacity to Deliver Vehicle by Dec. 15, 2011	15 (Maximum Points)
3.1.3	Range in all-electric mode (can only award one category)	10 (Maximum Points)
	3.1.3.1 Less than or equal to 50 miles, or	5
	3.1.3.2 Greater than 50 miles	10
3.1.4	Total range without recharging or refueling	10 (Maximum Points)
	3.1.4.1 Up to 90 miles	3
	3.1.4.2 Between 90 and 120 miles	6
	3.1.4.3 Over 390 miles	10
3.1.5	Ability to meet specific needs of department leasing	10 (Maximum Points)
3.1.6	Lack of exceptions to minimum requirements of RFP	6 (Maximum Points)
3.1.7	Option to Purchase Price	5 (Maximum Points)
3.1.8	Hire Houston First	5 (Maximum Points)
	3.1.8.1 City Business	5
	3.1.8.2 Local Business	3
3.1.9	Onboard 3.3 kW charger	3 (Maximum Points)
3.1.10	Power train warranty	2 (Maximum Points)
	3.1.10.1 Five years or 60,000 miles (minimum requirement)	1
	3.1.10.2 Five years or 100,000 miles	2
3.1.11	Automatic traction control	2 (Maximum Points)
3.1.12	Annual mileage allowance up to 20,000 miles or unlimited	2 (Maximum Points)

TOTAL POINTS 100

3.2 The City may evaluate each offer in multiple categories in order to best match the Offer with the different and varied needs of one or more City departments.