



CITY OF HOUSTON

Administration and Regulatory Affairs Department
Strategic Purchasing Division

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May 24, 2013

SUBJECT: Letter of Clarification No. 1 Cost Allocation Plan Services for the Finance Department

REFERENCE: Request for Proposal No. S37-Q24564

TO: All Prospective Proposers:

This Letter of Clarification is issued for the following reasons:

• **The following questions and City of Houston responses are hereby incorporated and made a part of the Request for Qualifications:**

1. Are the indirect cost rates and cost allocation plans posted on the City's Finance Department web site indicative of the work products the City expects the contractor to perform?

Answer: Yes.

2. Specifically, Section 3.1.16 requires departmental indirect cost rates. Does the rate schedule on the City's web site represent all of the departmental rates that are required? Section 3.1.22 identifies cost plan deliverables, but not departmental rate deliverables.

Answer: Yes.

Would it be possible for the City to provide what departmental rate deliverables it expects?

Answer:

<u>Department</u>	<u>Deliverable Rate</u>
Aviation	OMB A-87
General Services Division	Full Cost
General Services Division	OMB A-87
Citywide	OMB A-87
Citywide	Full Cost
Finance	Full Cost
ARA	Full Cost
Health & Human Svcs.	OMB A-87
Housing & Comm. Devmnt	OMB A-87
Legal Dept.	Full Cost
Library	OMB A-87
Parks & Recreation	OMB A-87
Planning & Development	OMB A-87
Police	Full Cost
Police	OMB A-87
PW&E-General Fund	Full Cost

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PW&E-Fleet Management Full Cost
PW&E-Water & Sewer Full Cost

3. Section 3.1.12 requests a variance analysis that explains the change of costs between fiscal years. Will this be required in the first year of plan preparation?

Answer: Yes.

If so, will the selected consultant have access to the data necessary to determine how the prior consultant arrived at their cost allocations? In some cases, access to the source data for allocation bases, direct billings, etc. may be required.

Answer: Yes, the selected consultant will be provided with the Plan results from the previous year for comparison purposes.

4. Which Federal agency is the City's cognizant agency?

Answer: The City's cognizant agency is the department of Housing and Urban Development (HUD).

5. In recent years, what types of negotiations have been required with Federal and State officials? (Section 3.1.18)?

Answer: The negotiations required are to assist with supporting the City's cost rates and plans approval by the City's cognizant agency in compliance with OMB Circular A-87 guidelines.

6. Section 3.1.19 indicates that the selected consultant should train the City's Finance staff and that the staff should be exposed to all facets of the work. What are the goals/intents of this training?

Answer: The goal of this training is to provide the City's Finance staff with the in-depth components of the Cost Plans and rate calculations.

Will City staff be expected to develop the knowledge and skills to prepare the plans themselves, or is the training designed to help City staff provide access to financial information, review the plans, and serve as liaisons?

Answer: Yes, the City's staff will be expected to develop the knowledge and skills to prepare the plans themselves in the near future and to provide access to financial information, review the plans and serve as liaisons.

7. What is the preferred project timeframe to complete the plans each year?

Answer: The preferred project timeframe to complete the Plans each year are as follows:

Preliminary Plans: December 31st

Final Plans: February 28th

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into their proposal.

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COST ALLOCATION PLAN SERVICES
SOLICITATION NO. S37-Q24564**

If you have any questions or if further clarification is needed regarding this Request for Qualifications, please contact me.

Joyce A. Hays

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DM

END OF LETTER OF CLARIFICATION 1

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