

CITY OF HOUSTON
ADMINISTRATION AND REGULATORY
AFFAIRS DEPARTMENT
S46- Q24614
NOTICE OF REQUEST FOR QUALIFICATION

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

GENERAL INSTRUCTIONS, TERMS & CONDITIONS

The City of Houston's Administration and Regulatory Affairs Department is soliciting services from qualified consultancies/contractor(s) to perform the following services as described in the Statement of Work for Compliance Review of Certificated Telecommunications Providers ("CTPs").

PRE-SUBMISSION CONFERENCE

The City will conduct a Pre-submission conference on **May 15, 2013 at 10:00 AM CDT., in SPD Conference Rm. 2 at 901 Bagby Street, City Hall (Basement Level), Houston, TX 77002.** Attendance to the Pre-submission conference is optional and not mandatory.

Prospective consultancies/contractor(s) needing additional information/clarification to this request for qualification (RFQ) are requested to e-mail questions to Eric Alexander at eric.alexander@houstontx.gov. The deadline for submitting questions is **May 21, 2013 at 2:00 PM CDT. No questions will be accepted after deadline.** All 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.

SOLICITATION DUE DATE/TIME

Please review the Statement of Work below. If you believe that your consultancy/firm meets the minimum requirements as outlined in the Statement of Work of the RFQ, please submit your Statement of Qualifications (SOQ) to Eric Alexander, via one of the methods listed below by **May 31, 2013 at 2:00 PM CDT. No SOQ's will be accepted after deadline.**

E-mail: (Preferred Method): eric.alexander@houstontx.gov

Mail:
City of Houston
Strategic Purchasing Division (Suite B500, Room B509)
901 Bagby Street
Houston, Texas 77002

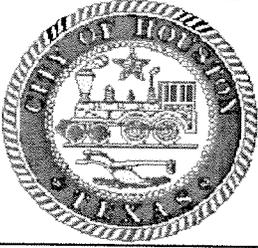
STATEMENT OF WORK

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 to perform a ***Compliance Review of Certificated Telecommunications Providers ("CTPs")***.

2.0 Background

2.1 The 76th Legislature enacted House Bill 1777 in 1999 establishing Chapter 283 of the Local



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Government Code standardizing the method by which telecommunications companies compensate municipalities for private use of the public rights-of-way. Pursuant to Chapter 283, telecommunications companies providing local exchange telephone service or voice service are required to (1) obtain a certificate from the Public Utility Commission of Texas ("PUCT"), (2) report their monthly access line counts in each municipality to the PUCT on a quarterly basis and (3) pay access line fees quarterly to each municipality based on rates established by the PUCT. Telecommunications companies who have obtained their certificate from the PUCT are hereafter referred to as certificated telecommunications providers ("CTPs").

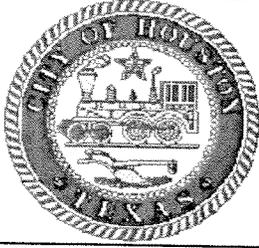
- 2.2 Per the rules established by the PUCT, CTPs must categorize their lines of service according to three classifications when reporting their monthly access line counts: residential, non-residential, and point-to-point. The compensation to be paid to each municipality is a fee per access line that is unique by access line classification and by municipality.
- 2.3 There are approximately 80 CTPs providing service in the City of Houston at any given point in time, with the list of providers varying on a month-to-month basis as providers enter and exit the market. The City of Houston seeks professional compliance review services to ensure compliance with the requirements set forth by the PUCT, specifically related to payments to the City and financial reporting.

3.0 Objective

- 3.1 The objective of the RFQ process is to receive from each interested consultant a SOQ to assist the City with achieving its goals. The SOQ will be used to evaluate each consultant on experience, capabilities, qualifications and understanding of the City's objectives. Based upon the SOQs, the City will evaluate and narrow the field. Also, the City reserves the right to extend invitations to the highest ranked respondents for an on-site interview to allow the City to meet each consultancy/consultant's project leads, such as the Engagement Manager, Project Manager, and Functional lead.

4.0 Scope of Work/Services

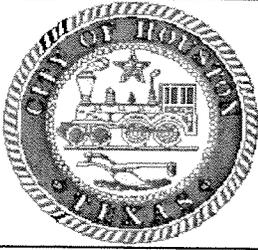
- 4.1 At a minimum, the City expects the selected consultant will provide the following services for each of the 10 CTPs to be selected by the City of Houston.
- 4.1.1 Review Chapter 283 of the Texas Local Government Code and PUCT substantive rules related to implementation of Chapter 283 and become familiar with their provisions and requirements to assure CTPs' compliance.
- 4.1.2 Review the selected CTP's access line filings with the Public Utility Commission of Texas ("PUCT").



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- 4.1.3 Review the selected CTP's access line fee payments and supporting documentation from the City.
- 4.1.4 Verify mathematical accuracy of the selected CTP's access line fee payments and access line reports during the applicable periods.
- 4.1.5 Review the CTP's process for classifying existing services that meet the definitions of access lines in accordance with the PUCT's rules during the applicable periods.
- 4.1.6 Review the CTP's process for classifying new services and for determining if the new services fall within the PUCT's definitions of access lines during the applicable periods.
- 4.1.7 Review the selected CTP's process for entering services and addresses in the billing and reporting process.
- 4.1.8 Review CTP's process for including City annexations in their billing systems.
- 4.1.9 Determine the CTP's access lines by quarter and by category for the applicable period.
- 4.1.10 Review CTP's policies for writing off uncollectible accounts, ensure uncollectible rates are applicable to Houston market only, and verify if these procedures are followed for the applicable periods.
- 4.1.11 Review CTP's process for including subsequently collected accounts in the reporting system.
- 4.1.12 Verify that there are "adequate proof" agreements between each reseller/rebundler and the underlying CTP per Local Government Code Section 283.055(i) and as required by PUCT rules.
- 4.1.13 Verify all "adequate proof" agreements between resellers/rebundlers and the underlying CTP clearly provide which CTP reports and pays on access lines.
- 4.1.14 Verify whether payments from any Reseller/Rebundler that opted to pay the CTP are collected and remitted to the City correctly by the CTP.
- 4.1.15 Test CTP's billing system for compliance using sampling techniques and agreed upon procedures to test for jurisdictional line count or town code determination.
- 4.1.16 Perform additional testing, as required.
- 4.1.17 Quantify findings.
- 4.1.18 Have appropriate staff available, with reasonable notice, to present, explain, and support compliance review findings in any meeting(s) required with the CTP or City officials.



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4.2 Deliverables:

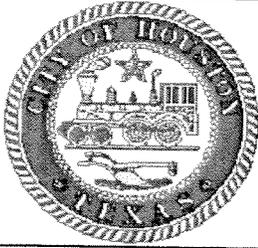
- 4.2.1 Provide a compliance review plan for each CTP outlining key dates, including compliance review start and completion dates, status report dates, and final report submission date.
- 4.2.2 Identify any deficiencies in CTP access line fees reporting.
- 4.2.3 Quantify and document any classification errors, access line count under or over-reporting and calculate any under or overpayment amounts.
- 4.2.4 Based on sampling testing, report and document any under or overpayments based on geographical errors.
- 4.2.5 Quantify and document any under or overpayments due to errors in determining uncollectible amounts.
- 4.2.6 Forward compliance review report and all supporting documentation to the City for verification and revenue recovery.

5.0 M/WBE Compliance:

- 5.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("M/WBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply Agreements in at least **24%** of the value of this Agreement to M/WBEs. Contractor acknowledges that it has reviewed the requirements for good faith efforts on file with the Mayor's Office of Business Opportunity (MOBO) and will comply with them.
- 5.2 Contractor shall require written subcontracts with all M/WBE subcontractors and shall submit all disputes with M/WBEs to binding arbitration to be conducted in Houston, Texas if directed to do so by the OBO Director.

6.0 Submission of Statement of Qualifications

- 6.1 Please provide a cover sheet bearing the assigned Solicitation Number, the respondent's name and the name of the project, i.e. 2013 Compliance Review of Certificated Telecommunications Providers.
- 6.2 The length of the submittal document shall not exceed ten (10) pages (single sided), excluding resumes of personnel being presented.
- 6.3 The City of Houston's Administration and Regulatory Affairs Department is requesting qualified consultancies/contractor(s) to submit their SOQ. To qualify for the contract award, the consultancy/contractor(s) **MUST** at a minimum,



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- 6.3.1 Identify the partners, managers, and supervisors who will work on the compliance review; include resumes for each supervisory person to be assigned to the compliance review;
- 6.3.2 Describe your firm's recent compliance review experience similar to the type of compliance review required, if any;
- 6.3.3 Describe any accounting knowledge or experience your firm has related to the deregulated telecommunications industry in Texas;
- 6.3.4 List names, addresses and telephone numbers of three (3) references for your professional compliance review services;
- 6.3.5 Describe the estimated turnaround time for completing a review and how many reviews your firm can undertake concurrently.
- 6.3.6 Provide a written statement acknowledging the City's M/WBE Program and contractor's willingness to make a good-faith effort in utilizing a certified M/WBE sub-contractor for 24% of work for the contract awarded by the City

Additionally, the documents listed below must be provided with the QP:

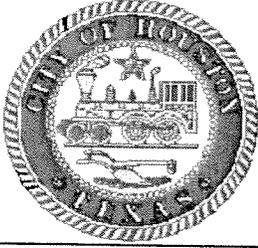
TABLE 1 - REQUIRED FORMS
Affidavit of Ownership.doc
Fair Campaign Ordinance.doc
Statement of Residency.doc
Drug Forms
PoP 1a Pay or Play Acknowledgment Form
Contractor Questionnaire
Hire Houston First Affidavit (See Details Below)

* **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.

7.0 Qualification Evaluation Criteria

7.1 In evaluating the submitted SOQ's, the following criteria will be used when evaluating the RFQ responses and are listed in the order of importance to the City of Houston:

Evaluation Criteria	Points
Firm's Experience with Compliance Reviews	25



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Telecom Accounting Experience	25
Proposed Staff - Partner/Managers/Supervisors resumes –	20
Experience with other clients of similar size to the City of Houston (References)	10
Turnaround Time & Concurrent Reviews	10
M/WBE Participation	10

* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

- **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 proposer 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:

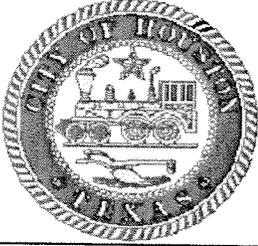
<http://www.houstontx.gov/hbsc/hirehoustonfirstaffidavit.pdf>

Submit the completed application forms to: Mayor’s Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to HHF-MOBO@houstontx.gov or faxed to 832.393.0952.

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



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- 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.

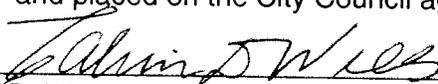
7.2 SELECTION PROCESS

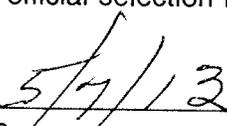
7.2.1 The award of this agreement will be made to the best respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of each respondent. Therefore, the respondent shall furnish to the City such data 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 fails to satisfy the City or the respondent is deemed unqualified to provide the services contemplated.

7.2.2 The City of Houston has sole discretion and reserves the right to cancel this RFQ, or to reject any or all SOQ received prior to contract award.

8.0 NO CONTACT PERIOD:

8.1 Neither Offeror(s) nor any person acting on Offeror(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the award, aside from Offeror's formal response to the solicitation, communications publicly made during the official prebid conference, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Offeror(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any bidder. However, nothing in this paragraph shall prevent an Offeror from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action.


Calvin D. Wells, ARA Deputy Director
City Purchasing Agent


Date