



CITY OF HOUSTON

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June 15, 2010

SUBJECT: Letter of Clarification No. 1

REFERENCE: RFP No.: S10-T23536 for

**UTILITY REVENUE SERVICES FOR THE CONVENTION &
ENTERTAINMENT FACILITIES DEPARTMENT**

TO: All Prospective Proposers:

This Letter of Clarification is issued for the following reason:

For the benefit of all prospective Proposers and to avoid possible confusion in bidding, we wish to clarify the bidding document as follows:

- **The following questions, revised attachment, and City of Houston ("COH") responses are hereby incorporated and made a part of the Request for Proposal:**

1. **Vendor Question:** *"Section 3.9 Branding: Are customers (show management and exhibitors) to make payments for utility services directly to the City of Houston/GRB if Contractor's name and/or branding is not to be displayed? Is Contractor to have a separate website for online ordering without displaying Contractor's branding and who to make payments to?"*

COH Answer: **No. Customers will not make payments for utility services to the City. All payments shall be made directly to the Contractor. The selected Proposer must maintain and host a separate website or a separate page on its existing website for online ordering. Proposer's branding may appear on the separate website or webpage jointly with the City of Houston/GRB branding. The separate website or webpage must be pre-approved by the C&EF Department Director.**

2. **Vendor Question:** *"Page 12 Section 16.0 Local Minority/Women Business Enterprises Participation: Define what allowable expenses are included in "payroll and overhead cost?"*

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Council Members: Brenda Stardig Jarvis Johnson Anne Clutterbuck Wanda Adams Mike Sullivan Al Hoang Oliver Pennington
Edward Gonzalez James G. Rodriguez Stephen C. Costello Sue Lovell Melissa Noriega C.O. "Brad" Bradford
Jolanda "Jo" Jones Controller: Ronald C. Green

- COH Answer:** Allowable expenses shall include all payroll expenses and benefits, as well as overhead expenses that are directly attributable to Proposer's maintaining an office within the GRB.
3. **Vendor Question:** *"Section 20.0 Pay or Play Program: Are union employees (IBEW) excluded from the Pay or Play Program?"*
- COH Answer:** No. Union employees are not excluded from the City's Pay or Play Program. However, if union personnel have qualifying insurance, as described in the Pay or Play Program, then such personnel will be considered as "playing" under the Program.
4. **Vendor Question:** *"Exhibit A - Section 3.0 Criminal Background Check: Are union employees (IBEW) used as part-time labor support for events excluded form background checks?"*
- COH Answer:** No. All temporary and permanent employees, including subcontractor employees, must have a criminal background check before such employees are assigned to work in any City facility. Union employees are not excluded from any of the Contract requirements.
5. **Vendor Question:** *Exhibit A – Section 7.0 (d) Explain what is meant by "At no cost for Utility Services, the City shall pay for materials provided to the City?"*
- COH Answer:** Utility Services is a defined term in the Contract. The Contractor may not invoice the City for such services. However, the Contractor may invoice the City for the actual costs of labor and materials for any special service requested by the City, but with no up-charge.
6. **Vendor Question:** *"Section IV- Evaluation and Selection Process: Selection Process 1(d) - Please explain what the City is looking for in its evaluation criteria for the Proposer to demonstrate a "Client list and potential of quantified business to the GRB."*
- COH Answer:** The City desires a client list that demonstrates that the Proposer has performed the services requested in this Request for Proposal at other convention centers. Proposers should include the names and dates of shows for which they have performed services.
7. **Vendor Question:** *"What has been an acceptable percentage of increase in rates, year after year?"*
- COH Answer:** The acceptability of any increase requires the Agreement of the Director. There have been no rate increases during the last five years.

8. **Vendor Question:** *“Should new fees or increased permitting fees be applied post-Contract signing? Can we adjust our rates to reflect the increase in the fee structure?”*

COH Answer: All rate increases require the Agreement of the Director.

9. **Vendor Question:** *“What is the current commission structure?”*

COH Answer: The City currently receives the following percentages of the gross revenues.

Applicable Percentage	Annual Gross Revenues
50%	< \$2,000,000
51%	≥ \$2,000,000 but < \$2,500,000
52%	≥ \$2,500,000 but < \$3,000,000
53%	≥ \$3,000,000

Additionally, for any Agreement year in which the Gross Receipts equal or exceed \$2,500,000, the current Contractor pays the City an Incentive Bonus Payment of \$25,000, not to exceed \$125,000 over five years.

10. **Vendor Question:** *“What Special Projects have been asked of the current Contract during the life of the Agreement?”*

COH Answer: The following are examples of special projects:

- 1) Install electrical for new boardroom/sales presentation area.
- 2) Install electrical service for additional security cameras.
- 3) Install electrical for build-out of new office areas.
- 4) Install four 100-amp, surface-mounted receptacles for registrations counters, receptions, and concession stands.
- 5) Install two 20-amp/208/3 phase receptacles for registrations counters, receptions and concession stands.

11. **Vendor Question:** *“Please describe what ‘complimentary services’ entail? Is it for show management or for the Convention Center?”*

COH Answer: See Section 7.3 of Exhibit “A” to the proposed Contract. Complimentary services shall be provided to show management and/or exhibitors only and the rates shall be based on the selected Contractor’s proposed pricing schedule.

12. **Vendor Question:** *"Can commission be on sliding scale based on revenue thresholds?"*
COH Answer: **Yes. Each Proposer shall use its own best judgment in proposing its commission structure.**
13. **Vendor Question:** *"Is the 2% holdback for renovation used for electrical maintenance? Can we earmark it for that purpose?"*
COH Answer: **No. The City shall use the 2% at its sole discretion. Proposers shall not earmark this percentage for special projects.**
14. **Vendor Question:** *"What is the staffing level of the current Contractor? What are the hours of operation? Have you found the hours and personnel acceptable?"*
COH Answer: **(2) Customer Service Representatives
(3) Journeymen Electricians
(1) Master Electrician
(1) Project Manager**
We decline to publicly evaluate the City's current provider as part of this Request for Proposal process.
15. **Vendor Question:** *"How many tentative major citywide conventions are currently holding space?"*
COH Answer: **Currently, 88 tentative citywide conventions are being held.**
16. **Vendor Question:** *"What is the amount earmarked by the current Contractor for marketing? Do you find that an acceptable amount?"*
COH Answer: **We have 2% of the gross revenues set aside for marketing and other uses, at the City's discretion. Other than the 2% cited in Section 7.1 of Exhibit "A" to the proposed Contract, we are not aware of any other marketing requirements. Proposers may propose to utilize funds for such purposes.**
17. **Vendor Question:** *"What do you consider marketing?"*
COH Answer: **We consider "marketing" anything that will promote the City or the George R. Brown Convention Center, as well as anything that will improve services, increase sales, or benefit clients.**
18. **Vendor Question:** *"What service failures have been noted of the current Contractor? How were they resolved?"*

- COH Answer:** We decline to publicly evaluate the current Contractor as part of this Request for Proposal process.
19. **Vendor Question:** *"Do you have annual reviews with the Contractor?"*
COH Answer: Every event has a performance evaluation upon its conclusion.
20. **Vendor Question:** *"Does your current Contractor share their exhibitor satisfaction scores with you? Do they conduct surveys?"*
COH Answer: The City performs the evaluation and shares the responses with the Contractor.
21. **Vendor Question:** *"What do you consider the Contractors best attributes? Negative attributes?"*
COH Answer: We decline to publicly evaluate the current Contractor as part of this Request for Proposal process.
22. **Vendor Question:** *"What is the brand and model number for the bus duct switches tapping off the bus ducts in the bunkers?"*
COH Answer: Square D bus ducts:
PQ4620G-200 Amp
PQ4610G-100 Amp

Siemens:
SLID4640-200 Amp
SLID4630-100 Amp
23. **Clarification:** As mentioned in the Pre-Proposal meeting, the selected Contractor should use flat cable for this Contract. Flat cable has the same number of strands and same size of wire as regular cable, but, when placed under carpet, flat cable creates no lumps or trip hazards in exhibit hall aisles or booths.
24. **Clarification:** Attachment X, "Electrical & Plumbing Rates," pages 54-58: Replace pages 54-58 of the original Fee Schedule with the Excel document "Electrical/Plumbing Utility Fees." Proposers should use the Excel spreadsheet to key in their proposed rates into columns "L" and "M." The percentages should automatically calculate in columns "N" and "O."
25. **Clarification:** Include an operations and marketing plan with your Proposal, as mentioned on page 85 of the RFP, Section 6.1, "Customer Service and Marketing."

When issued, Letters of Clarification shall automatically become a part of the Proposal documents and shall supersede any previous specifications and/or provisions in conflict with the Letters of Clarification. It is the responsibility of the Proposer to ensure that they have obtained any such previous Letters associated with this solicitation. By submitting a Proposal on this project, Proposers shall be deemed to have received all Letters of Clarification, and to have incorporated them into this Proposal.

Should you have any questions or need further clarification regarding this Proposal, please contact me at greg.hubbard@houstontx.gov, or at 832.393.8748.

Sincerely,

Greg Hubbard

Greg Hubbard, Sr. Procurement Specialist

Houston, Texas 77002

Phone: 832.393.8748

DM GH:DM:gh *(GH)*

cc. Stephen Lewis, CEF; Lisa Hargrove, CEF; Lisa Kingsbury, CEF; File