

CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 8/24/2015

T25436 - Foundational Citywide Compliance Risk Assessment - ORDINANCE

Agenda Item#:

Summary:

Background:

Subject: S10-T25436 - Approve an ordinance awarding a contract to PricewaterhouseCoopers LLP, for a total amount not to exceed \$980,025.00 for foundational citywide compliance risk assessment for Office of the Mayor.

The Chief Compliance Officer (CCO) of the Office of Compliance and Ethics/Office of the Mayor and the City Purchasing Agent recommend that City Council approve an ordinance awarding a one-year contract to **PricewaterhouseCoopers LLC** for a total amount not to exceed **\$980,025.00**, for a foundational citywide compliance risk assessment and associated reviews and training for the Office of the Mayor. The City Purchasing Agent and/or the CCO of Office of the Mayor may terminate this contract at any time upon 30-days written notice to the contractor.

The scope of work requires the Contractor to provide all labor, parts, materials, equipment, expenses, transportation and supervision necessary to provide basic services for the Foundational Citywide Compliance Risk Assessment (FCRA) Project. The FCRA encompasses six primary areas of activity, and each are intended to enable the City's leadership to better manage and remediate the City's compliance risks on an enterprise-wide basis. During the course of the FCRA project, the City's compliance risks will be inventoried, mapped and prioritized. Internal controls now in place with City policies and processes will be assessed to identify gaps in our current compliance risk management strategies. As training is central to minimizing the City's compliance risks, the project's scope includes development of training as well as a communications plan. The FCRA project will also result in the City having tools necessary for ongoing compliance risk self-assessment. The FCRA shall be used as a foundation upon which compliance-related activities of the City's Office of Compliance and Ethics (OCE) and departments will be based.

The six risk assessment areas of primary activity are:

- Enterprise-wide Baseline Compliance Risk Inventory
- Risk Prioritization
- Internal Control Reviews
- Policies and Process Reviews
- Training and Development of City Employees and Communications
- Self-Assessment

The Request for Proposal (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. One hundred prospective proposers downloaded the solicitation document from SPD's e-bidding website, and as a result, proposals were received from PricewaterhouseCoopers LLP, Weaver & Tidwell, LLP, Deloitte & Touche LLP, KPMG LLP, Alvarez & Marsal Business Consulting, LLC, and Crow Horwath LLC. The evaluation committee was comprised of four evaluators from the Office of the Mayor, Finance Department and Department of Housing and Community Development. The proposals were evaluated based upon the following criteria:

- Responsiveness to the Proposal
- Technical Compliance
 - Proposed Strategic & Operational Plan
 - Experience and Expertise of Firm
 - Qualifications of Houston-Area Account Team
 - Financial Strength
 - M/WBE Participation
- Price Proposal

PricewaterhouseCoopers LLP was deemed the best respondent.

Pay or Play Program:

The proposed contract requires compliance with the City's "Pay or Play" ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides benefits for some employees but will pay into the Contractor Responsibility Fund in compliance with City policy.

M/WBE Subcontracting:

This RFP was issued with a 24% goal for M/WBE participation. PricewaterhouseCoopers LLP has designated the below-named companies as its certified M/WBE subcontractors:

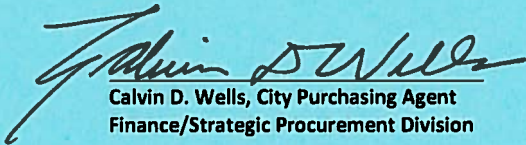
Name	Type of Work	Dollar Amount	Percentage
Solomon Joseph, LLC	Staff augmentation for assessment on current state of compliance	\$78,402.00	8%
A.O. Phillips and Associates	Staff augmentation, and safety-engineering consulting	\$78,402.00	8%
The Pierre Firm, PLLC	Consultancy on compliance pertaining to Federal Law	\$78,402.00	8%

The Office of Business Opportunity will monitor this award.

Hire Houston First:

The proposed contract requires compliance with the City's "Hire Houston First" ordinance that promotes economic opportunity for Houston businesses while supporting job creation. In this case, the proposed contractor does not meet the requirements of Hire Houston First, and no Hire Houston First firms were within three percent.

<u>Department</u>	<u>FY16</u>	<u>Out Years</u>	<u>Total</u>
Office of the Mayor	\$965,025.00	\$15,000.00	\$980,025.00



Calvin D. Wells, City Purchasing Agent
Finance/Strategic Procurement Division

Department Approval Authority Signature

Amount of Funding:

\$980,025.00 - General Fund (1000)

Contact Information:

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ATTACHMENTS:

Description	Type
<u>MWBE LOI</u>	Backup Material
<u>Form-A</u>	Backup Material
<u>Form-B</u>	Backup Material
<u>Tax Log</u>	Backup Material
<u>COI-Endorsements</u>	Other
<u>Award Recommendation</u>	Other
<u>Drug Forms</u>	Other
<u>POP Forms</u>	Other
<u>TX Secretary of State</u>	Other
<u>HHF Form</u>	Backup Material