



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/29/2025

Item Creation Date:

Doc1204277570 – Franchise Program Compliance Audit Services (Avenu Insights & Analytics, LLC, BDO USA, P.C, and Fox, Smolen & Associates, Inc.) - ORDINANCE

Agenda Item#: 52.

### **Background:**

Request for Proposals (RFP) received on September 19, 2024, for Doc1204277570 - Approve an ordinance awarding contracts to Avenu Insights & Analytics, LLC, BDO USA, P.C, and Fox, Smolen & Associates, Inc. in the maximum contract amount of \$600,000.00 to provide professional franchise compliance audit services for a three (3) year contract with two (2) one-year renewal options for the Administration and Regulatory Affairs Department.

### **Specific Explanation:**

The Director of the Administration and Regulatory Affairs Department (ARA) and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a three (3) year contract term, with two (2) one-year renewal options, for a total of five (5) years to Avenu Insights & Analytics, LLC, BDO USA, P.C, and Fox, Smolen & Associates, Inc. in the total maximum contract amount of \$600,000.00 to provide franchise compliance audit services for ARA.

The scope of work requires the firms to provide professional auditing services, including reviewing relevant sections of the Houston Code of Ordinances and applicable federal, state, and county orders and franchise agreements. These reviews will focus on payments to the City and financial reporting related to the following entities:

- Certificated Telecommunications Providers
- Commercial solid waste transporters and haulers
- Cable/video service providers
- Electric and natural gas providers

The firms will be responsible for performing the following key auditing services:

- Examine franchise agreements approved by the City Council, endorsed by the Mayor, and accepted by each franchisee to ensure compliance.
- Verify financial reporting and data for each audited company, including a thorough review of its books and records.
- Review the City's fee receipts for the audited company to confirm accurate and complete application in accordance with the franchise agreement and Texas statutes.
- Reconcile financial and fee payment reporting from the audited company against actual payments and receipts received by the City to ensure accuracy.

The RFP was advertised in accordance with the requirements of the State of Texas bid laws, and proposals were received from Avenu Insights and Analytics, LLC, BDO USA, P.C., CohnReznick LLP, Fox, Smolen & Associates Inc., and Macias Gini & O'Connell LLP. The evaluation committee consisted of employees from ARA, the Houston Public Library, and the Human Resources Department.

The proposals were evaluated based on the following criteria:

1. Responsiveness of Proposal;
2. Technical Competence; and
3. Price Proposal.

Avenu Insights & Analytics, LLC, BDO USA, P.C., and Fox, Smolen & Associates, Inc. received the highest overall scores and were deemed the best-qualified firms to meet the requirements outlined in the RFP.

Vendor Name	FY2026 Amount	Out Years Amount	Initial Allocation Amount
Avenu Insights & Analytics, LLC	\$50,000.00	\$150,000.00	\$200,000.00
BDO USA, P.C.	\$100,000.00	\$100,000.00	\$200,000.00
Fox, Smolen & Associates, Inc.	\$50,000.00	\$150,000.00	\$200,000.00
<b>Total</b>	<b>\$200,000.00</b>	<b>\$400,000.00</b>	<b>\$600,000.00</b>

**M/WBE Subcontracting:**

This RFP was advertised with a 6% M/WBE participation goal. Below is a breakdown of each vendor's participation:

Avenu Insights & Analytics, LLC submitted a 6% participation plan.

Vendor Name	Type of Work	Percentage
Decision Information Resources	Statistical Analysis, Phone Surveying, Research, and Data Collection	6%

BDO USA, P.C. submitted a 6% participation plan.

Vendor Name	Type of Work	Percentage
Bickham Services Unlimited, LLC	Statistical Analysis, Phone Surveying, Research, and Data Collection	6%

Fox, Smolen & Associates, Inc. submitted a 6% participation plan.

Vendor Name	Type of Work	Percentage
Yoe CPA, LLC	Accounting, Auditing, CPA Services	6%

**Pay or Play:**

The proposed contract requires compliance with the City's 'Pay or Play' program regarding health benefits for employees of City contractors. In this case, Avenu Insights & Analytics, LLC and Fox, Smolen & Associates, Inc. will provide health benefits to eligible employees in compliance with City policy. BDO USA, P.C. provides benefits for some employees but will pay into the Contractor Responsibility Fund for others, in compliance with City policy.

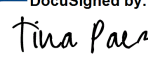
**Hire Houston First:**

The proposed contract requires compliance with the City's Hire Houston First (HHF) ordinance that promotes economic opportunities for Houston businesses and supports job creation. In this case, Avenu Insights & Analytics, LLC, BDO USA, P.C., and Fox, Smolen & Associates, Inc. did not meet the requirements for HHF designation; no HHF firms were within three percent.

**Fiscal Note:**

Funding for this item is included in the FY2026 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

DocuSigned by:  
  
 7/24/2025  
**Jedediah Greenfield, Chief Procurement Officer,**  
**Finance/Strategic Procurement Division**

DocuSigned by:  
  
 7/23/2025  
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**Department Approval Authority**

Department	FY 2026	Out Years	Total
General Government	\$200,000.00	\$400,000.00	\$600,000.00

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7/21/2025

**Amount and Source of Funding:**

\$600,000.00 – General Fund (1000)

**Contact Information:**

Name	Dept/Division	Phone No.:
Valerie Berry, Deputy Director	ARA	(832) 393-8510
Derek Kent, Division Manager	Finance/ SPD	(832) 393-8733
Candice Gambrell, Assistant Director	Finance / SPD	(832) 393-9129
Jedediah Greenfield, Chief Procurement Officer	Finance/ SPD	(832) 393-9126

**ATTACHMENTS:**

Description	Type
COF	Financial Information
Avenu Insights_Partially Executed Contract	Contract/Exhibit
Avenu Insights_COI	Other
Avenu Insights_AM Best	Other
Avenu Insights_CIQ	Other
Avenu Insights_Drug Form	Other
Avenu Insights_Ownership Form	Other
Avenu Insights_Clear Tax Form	Other
Avenu Insights_MWBE	Other
Avenu Insights_POP 1_2_3	Other
Avenu Insights_1295 Form	Other

Avenu Insights_OA Screenshot	Other
BDO_Partially Executed Contract	Contract/Exhibit
BDO_COI	Other
BDO_AM Best	Other
BDO_CIQ	Other
BDO_Drug Form	Other
BDO_Ownership Form	Other
BDO_Clear Tax Form	Other
BDO_MWBE	Other
BDO_POP 1_2_3	Other
BDO_1295 Form	Other
BDO_OA Screenshot	Other
FoxSmolen_Partially Executed Contract	Contract/Exhibit
FoxSmolen_COI	Other
FoxSmolen_AM Best	Other
FoxSmolen_CIQ	Other
FoxSmolen_Drug Form	Other
FoxSmolen_Ownership Form	Other
FoxSmolen_Clear Tax Form	Other
FoxSmolen_MWBE	Other
FoxSmolen_POP 1_2_3	Other
FoxSmolen_1295 Form	Other
FoxSmolen_OA Screenshot	Other