



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 11/1/2019

E29213 - Professional Consulting Services - ORDINANCE

Agenda Item#:

Background:

Professional Services for S76-E29213 - Approve an ordinance awarding a contract to PFM Group Consulting LLC in a maximum contract amount not to exceed \$167,500.00 for Professional Consulting Services for the Finance Department.

Specific Explanation:

The Chief Business Officer/Director of Finance and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a **one year contract, with one option year to renew to PFM Group Consulting LLC** in a maximum contract amount not to exceed **\$167,500.00** for Professional Consulting Services for the Finance Department.

The Scope of Work requires the contractor to provide all labor, materials, equipment, and supervision required to assist the City in developing a proposal to assist the City of Houston in developing a managed competition for the City's Solid Waste and Fleet Management Departments. PFM conducted an initial analysis and recommended that the City explore managed competition as an initiative within the City's multi-year financial plan (Ten Year Plan) in 2017. The Ten-Year Plan identified managed competition as an opportunity for the City to Achieve greater efficiency and effectiveness in fleet management and solid waste services, among other areas.

The Scope of Work is divided into three Phases. Phase I includes the development of the project framework, which includes a review of all statutory, regulatory and other constraints in the City. Phase I is scheduled to begin upon countersignature of the Notice to Proceed or approximately December 1, 2019. Phase II will include understanding market and operations to ensure there is a competitive market for these services and is scheduled to begin in January 2020. Phase III will conclude the process with the PFM team working with the City to develop a procurement process to optimize the operational and fiscal outcomes for the City. Based on the work completed in Phases I and II, the PFM team would produce draft procurement documents for managed competition for both Solid Waste and Fleet Management services. Phase III is scheduled to be completed by end of April, 2020. Additional services may be added as necessary to ensure the success of this evaluation.

This procurement is in response to Council Member Travis' budget amendments 12.01 and 12.03 which were made during consideration of the FY2020 City of Houston Budget, and adopted by City Council.

MWBE Participation:

Zero-Percentage Goal document approved by the Office of Business Opportunity.

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 health benefits to eligible employees in compliance with City policy.

Hire Houston First:

The procurement is exempt from the City's Hire Houston First Ordinance based on the department's determination that compliance with the ordinance would unduly interfere with contract needs.

Fiscal Note:

Funding for this item is not included in the FY2020 Adopted Budget. Therefore, a Fiscal Note is required as stated in the Financial Policies.

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Jerry Adams
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Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

11/14/2019

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Department Approval Authority Signature

11/14/2019

Estimated Fiscal Operating Impact						
Recurring or One-Time		One-Time				
Fund Name	FY20	FY21	FY22	FY23	FY24	Total
General Fund (1000)	\$167,500.00	\$0	\$0	\$0	\$0	\$167,500.00
	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$167,500.00	\$0	\$0	\$0	\$0	\$167,500.00

Amount of Funding:

\$167,500.00

General Fund

Fund No.: 1000

Contact Information:

NAME	DEPARTMENT/DIVISION	PHONE
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ATTACHMENTS:

Description	Type
Affidavit of Ownership or Control	Backup Material
AM Best ratings	Backup Material
COI and endorsements	Backup Material
Delinquent Tax Report	Backup Material
Drug Forms	Backup Material
Form 1295	Backup Material
Form A - Fair Campaign Ordinance	Backup Material
Form B	Backup Material
OBO Goal Modification Request approval	Backup Material
Secretary of State doc	Backup Material
Pay or Play Program	Backup Material
Professional Services Justification	Backup Material
Exhibit Amendment No. 12.01	Backup Material
Exhibit Amendment No. 12.03	Backup Material