

REVISED

Agenda Report

November 15, 1999

TO: City Council
THROUGH: Deregulation Committee
FROM: City Manager
SUBJECT: **Contract for Communication Services**

RECOMMENDATION:

It is recommended that the City Council:

Authorize the General Manager of Pasadena Water and Power to enter into a communications contract not to exceed \$185,000 with Jim Cox Advertising. Under the contract, the contractor will furnish services for both Pasadena Water and Power (WP) and the Housing and Development Department (HD). This contract is exempt from competitive bidding pursuant to City Charter section 1002(F), contracts for professional or unique services.

BACKGROUND:

The City is seeking the services of a qualified firm to assist WP and HD in the creation and production of communications and public outreach materials.

The main objective of the WP communication activities is to effectively reach the small/medium business sector of its customer base and continue to maintain communications with residential and large commercial and industrial customers. Senate Bill 477 (SB 477) requires those utilities offering Direct Access to provide certain consumer protection information as well as information on the process of choosing an Electricity Service Provider (ESP). Customers must be informed of deregulation of the electric utility industry, their rights and options for dealing with fraudulent ESPs, complaint-tracking process, and the names of ESPs licensed to do business in Pasadena. Customers must also receive information on the process of applying for Direct Access including information on the WP's metering and billing requirements for Direct Access customers.

Themes in the WP communications plan will also include information on the advantages of WP customers staying with their community-owned utility. Additionally,

customers will be informed of products and services offered by WP. The agency hired under the proposed contract will assist WP in developing and delivering messages to its customers that communicate the objectives and goals consistent with WP's business plan.

HD has allotted \$35,000 for Communication services. The agency is to assist HD's development of its communications plan and public outreach materials for economic development. This will include new material to attract and retain technology companies. The same firm is being used to provide coordination in the graphic presentation of materials for economic development and Water and Power.

A Request for Proposal was sent to five advertising agencies in October. Two agencies responded namely, Anderson MarCom and Jim Cox Advertising. Evaluation results of competitive selection criteria are as follows:

	<u>Anderson MarCom</u>	<u>Jim Cox Advertising</u>
Prior Experience in Providing Similar Services	55%	60%
Price (Bid Price)	15% (\$134,340.58)	20% (\$132,500.00)
Commitment to Affirmative Action/ Equal Opportunity Employment Principals	15%	15%
Local Pasadena Business	5%	5%
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	90%	100%

The following additional objectives are key to the overall communication program:

- Meet the requirements of SB 477.
- Development of an overall branding strategy.
- WP and HD speaking with a single voice when promoting similar City services.
- Customers gaining thorough awareness of electric deregulation and HD issues.

The budget for these services is not to exceed \$185,000 for one year.

Jim Cox Advertising services will include the following:

1. Strategic Planning and Campaign Development
2. Review and critique all past promotional materials and recommend message enhancements and themes, that will be used consistently in the future to enhance WP's image and communication effectiveness.
3. Evaluate and recommend most effective channels of communication for WP and HD targeted customers.
4. Conduct 7 focus group meetings with the following WP small/medium business customer segments:
 - Restaurant
 - Multi-family (Apartments)
 - Medical practices (dental, vision, chiropractic, etc. offices)
 - Senior Care Facilities
 - Small commercial buildings
 - Retail/Merchandising
 - Hotel/Motel
5. Assist in creating WP's Speakers Bureau script and supporting materials for small/medium business customer presentations.
6. Develop WP customer survey questions and knowledge base for 1) Residential and small/medium business customers and 2) large Commercial and Industrial customers (Possible mode of delivery is via bill stuffers, direct mail or Account Managers.)
7. Newspaper Advertising for WP Residential Customers
8. Educational support materials for WP's Residential and small business customers.
9. Series of 3 billstuffers: 2.5" x 5.5"; 4 panels, three-color, new graphics, copywriting.
10. Redesign and produce HD brochure (8.5" x 11"-six panels, four-color, including copywriting and photographs); booklet (9"x12", eight pages, four-color, saddle stitched, including copywriting and photographs); fact sheets (8.5" x 11"-four-color, includes copywriting and photographs).

Jim Cox Advertising is in compliance with the city's Living Wage Ordinance and Affirmative Action Ordinance.

FISCAL IMPACT:

Funds for the communications contract are available from Pasadena Water and Power's and Housing and Development's approved Fiscal Year budgets.

Respectfully submitted,


for Cynthia J. Kurtz
City Manager

Prepared by:



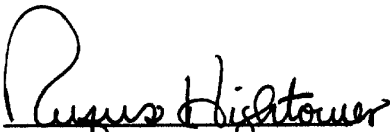
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