

Agenda Report

August 19, 2002

TO: City Council
THROUGH: Municipal Services Committee

FROM: City Manager

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH
AYZENBERG GROUP TO PROVIDE COMMUNICATION
SERVICES FOR PASADENA WATER AND POWER (PWP)**

RECOMMENDATION:

It is recommended that the City Council:

Authorize the General Manager of PWP to enter into a contract with Ayzenberg Group to provide communication, design, development and advisory services in an amount not to exceed \$180,000 for a period of one year with an option to extend the contract for one additional year. Competitive bidding is not required pursuant to City Charter Section 1002(F) contracts for professional or unique services.

BACKGROUND:

PWP has placed a high priority on maintaining good communications with all segments of its customer base. Staff believes it is important that PWP continue effective communications with its residential, large commercial and industrial customers. PWP desires to continue creating public awareness for water and energy conservation. Given the current energy supply situation and ongoing water supply issues, conservation is extremely important to ensure that PWP customers use these critical resources efficiently. In addition to PWP's water and energy conservation message, Pasadena residents and businesses have been informed of valuable cost saving programs that have led to the reduction in many customers' electric and water bills.

The Ayzenberg Group has provided communication services to PWP in the past. They have assisted PWP in the development of various communication outreach programs that have been well received by PWP customers. In addition to assisting PWP, the Ayzenberg Group has extensive experience in brand development and expertise in launching integrated communication campaigns across a full spectrum of media. Their experience with other large electric and gas utilities as well as with PWP has given the Ayzenberg Group a strong understanding of utility issues and

objectives. The Ayzenberg Group recently played an integral part in the strategy development and ultimate creation and roll out of PWP's popular advertising campaign, "You have the power to conserve" which won the California Municipal Utilities Association award for 2002 Community Service/Resource Efficiency Awards and placed third for Marketing Campaign of the Year for the 2001 Financial Times Global Energy Awards.

Under the proposed agreement, PWP and the Ayzenberg Group will assist staff in developing communication strategies as well as assist in creating effective messages, approaches and channels of communication to inform PWP customers on issues relating to PWP's water and power supply and distribution system master plans. Additionally, PWP water and energy rates, power supply and reliability, water quality and supply, re-powering of PWP's power plant, and water and energy conservation represent critical issues in which communication pieces will be developed. As PWP develops new public benefit programs, the Ayzenberg Group will assist in developing the appropriate educational messages and channels to introduce these programs and refresh messages for current programs. Information obtained from the RKS residential survey that was completed in February 2002 will provide a backdrop to assist Ayzenberg in developing communication strategies and targeting certain customer segments to ensure that the message on key programs and/or issues reaches all customer segments.

Planned elements of the current communication program will include deliverables such as local advertisements, brochures, program applications, utility bill stuffers, point-of-purchase displays, bus shelter posters, bulletins and light-pole banners. By using a full range of media, PWP plans to not only reach more of our customers, but also reach customers with multiple impressions, thus reinforcing the message and creating greater impact.

Request for Proposal to Select Communication Consultant to Assist PWP

In August 2001, a Request for Proposal (RFP) for corporate communication services was prepared and issued. Four firms were deemed responsive to the RFP.

Each proposal was subject to the City of Pasadena's competitive selection process and evaluated based on the proposal evaluation criteria as stated in the RFP. The evaluation and selection criteria included:

- 1) Prior experience in brand development and expertise in launching an integrated marketing campaign across a full spectrum of media;
 - 2) Overall understanding of municipal utility issues and objectives;
 - 3) Unit pricing;
 - 4) Credentials and resumes of staff assigned to PWP account;
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5) Local Pasadena preference.

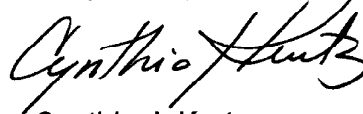
A summary of the evaluation is attached as Exhibit A.

Based on the criteria established in the RFP, the Ayzenberg Group was selected as the best overall firm to provide the required services for PWP.

FISCAL IMPACT

These services are expected to require the expenditure of up to \$180,000 in fiscal year 2003. These funds are available in the appropriated Water and Power Fund budgets in account number 8230, organization numbers 834200 and 834700.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Prepared by:



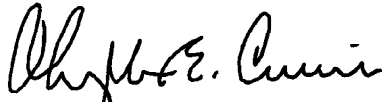
Donald M. Pappe
Business Unit Director
Customer Care Services

Concurred by:



Ann Erdman
Public Information Officer

Approved by:



Phyllis E. Currie
General Manager