

Agenda Report

December 9, 2002

TO: City Council
THROUGH: Municipal Services Committee

FROM: City Manager

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH THE
AYZENBERG GROUP TO PROVIDE ADVERTISING
SERVICES FOR PASADENA WATER AND POWER**

RECOMMENDATION:

It is recommended that the City Council:

Authorize the General Manager of Pasadena Water and Power (PWP) to enter into a contract with the Ayzenberg Group to provide creative design, copy development and advisory services in an amount not to exceed \$130,000 for a period of six months 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 the segments of its customer base. Staff believes it is important that PWP maintain effective communications with its residential, large commercial and industrial customers. The Ayzenberg Group has extensive experience in brand development and in launching integrated communication campaigns across a full spectrum of media. They have a strong understanding of utility issues and objectives having worked with an Investor Owned Utility and the Gas Company as well as PWP. They have assisted PWP in the development of various outreach programs that have been well received by PWP customers and the community. 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.

Key communication themes for the next communications campaign will focus on following primary areas:

Water issues:

- Information regarding the City's water system, including details contained in the Water Master Plan
- Information on the proposed new water rates and rate structure.
- Information regarding PWP's existing and new water conservation programs

Power issues:

- Information regarding PWP's new power plants under construction.
- Information on PWP's Public Benefit Programs
- Information on energy conservation

General issues:

- Information on PWP's convenient customer services.

Under the proposed agreement, the Ayzenberg Group will assist PWP staff in developing the targeted educational messages and strategies and help decide the appropriate channels of communication to inform PWP customers on the critical issues relating to PWP. 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, and bulletins. By using a full range of media, PWP plans to not only reach more customers, but also reach customers with multiple impressions, thus reinforcing the message and creating greater impact.

Request for Proposal to Select Advertising 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;
 - 5) Local Pasadena preference.
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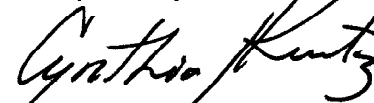
A summary of the evaluation is attached as Exhibit A.

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 \$130,000 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:



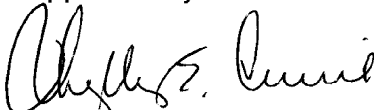
Donald M. Pappe
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Customer Care Services

Concurred by:



Ann Erdman
Public Information Officer

Approved by:



Phyllis E. Currie
General Manager
