



Date: April 18, 2017

To: City Manager for Council Action

From: Director of Electric Utility

Subject: Approval of Call No. 17-1 for Professional Services with Reichman, Karten, Sword, Inc. dba RKS Research & Consulting for CMUA 2017 Statewide Survey of Business and Key Account Customers Served by Municipal Utilities

EXECUTIVE SUMMARY

Every year the California Municipal Utilities Association (CMUA) contracts with Reichman, Karten, Sword, Inc. dba RKS Research & Consulting (RKS) to provide telephone and email-based surveys on behalf of its members. Silicon Valley Power (SVP) and a dozen other California municipal utilities support the CMUA statewide effort. In June 2014 SVP entered into a three-year Call Agreement with RKS directly to perform market research in Santa Clara. Additionally, SVP seeks to contract with this same agency to perform market research in Santa Clara as a way to benchmark Santa Clara's specific customer satisfaction and other metrics against the statewide results.

This year, the statewide focus is on business electric customers. Because of this collaborative state-wide effort, RKS is in the unique position to provide a comparative benchmarking, ranking and a collective utility perspective for Santa Clara. Staff proposes to enter into Call 17-1 under the existing Call Agreement to participate in the multi-utility standard survey and an oversampling survey that will be conducted solely among Santa Clara business customers. A copy of Call No. 17-1 with Reichman, Karten, Sword, Inc. dba RKS Research & Consulting can be viewed on the City's website and is available in the City Clerk's Office for review during normal business hours.

ADVANTAGES AND DISADVANTAGES OF ISSUE

Creating, supporting and prioritizing electric utility services based on methodical and statistically significant customer feedback is essential to maintaining viable, pertinent programs and achieving high levels of customer satisfaction, thereby building trust equity among customers, which makes a big difference when unpopular events such as rate increases or power outages occur. Routine customer research creates a culture of continuous improvement that has brought many benefits to the utility and the City. The unique opportunity brought by RKS through the direct benchmarking with other California municipal utilities multiplies the value of the research and increases the benefit substantially.

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ECONOMIC/FISCAL IMPACT

The cost of Call No. 17-1 will not exceed \$25,000. Sufficient funds are available in the Electric Department Marketing and Customer Service operating account 091-1313-87710-(F)91700.

RECOMMENDATION

That the Council approve, and authorize the City Manager to execute, Call No. 17-1 for Professional Services with Reichman, Karten, Sword, Inc. dba RKS Research & Consulting in an amount not to exceed \$25,000, for California Municipal Utilities Association 2017 Statewide Survey of Business and Key Account Customers Served by Municipal Utilities.

for *John C. Roukema*
John C. Roukema
Director of Electric Utility

APPROVED:
Rajeev Batra
Rajeev Batra
Interim City Manager

OK DC
Certified as to Availability of Funds:
091-1313-87710 \$25,000.00
Angela Kraetsch
Angela Kraetsch
Acting Director of Finance

MAJORITY VOTE OF COUNCIL

Documents Related to this Report:

- 1) *Call No. 17-1 for Professional Services with Reichman, Karten, Sword, Inc., dba RKS Research & Consulting*

**CALL NO. 17-1
FOR PROFESSIONAL SERVICES
TO BE PROVIDED TO THE
CITY OF SANTA CLARA, CALIFORNIA
BY REICHMAN, KARTEN, SWORD, INC. DBA RKS RESEARCH & CONSULTING**

The Parties to this Call No. 17-1 ("Call") agree that this Call is made pursuant to the terms of a Call Agreement between the Parties entitled, "Call Agreement by and between the City of Santa Clara, California and Reichman, Karten, Sword, Inc. dba RKS Research & Consulting, dated June 24, 2014, the terms of which are incorporated by this reference. This Call describes the Services to be provided to the City of Santa Clara, California ("City") by Reichman, Karten, Sword, Inc. dba RKS Research & Consulting ("Contractor"), which are more fully described in Contractor's proposal to City entitled "CMUA 2017 Statewide Survey of Business and Key Account Customers Served by Municipal Utilities" ("Proposal"), attached to this Call as Exhibit A and incorporated by this reference. The Services to be performed under this Call shall be completed within the time period beginning on April 18, 2017 and ending on September 30, 2017. The attached Proposal contains a complete description of the Services, and performance dates for the completion of such Services, to be performed by the Contractor under this Call. In no event shall the amount paid to the Contractor for the Services provided to City by the Contractor under this Call, including all fees or pre-approved costs and/or expenses, exceed twenty five thousand dollars and zero cents (\$25,000.00), subject to budgetary appropriations.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties acknowledge and accept the terms and conditions of this Call as evidenced by the following signatures of their duly authorized representatives. The Effective Date is the date that the final signatory executes the Call. It is the intent of the Parties that this Call shall become operative on the Effective Date.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Dated: _____

BRIAN DOYLE
Interim City Attorney

RAJEEV BATRA
Interim City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

ATTEST:

ROD DIRIDON, JR.
City Clerk

"CITY"

REICHMAN, KARTEN, SWORD, INC.
DBA RKS RESEARCH & CONSULTING
a New York corporation

Date: 3-23-17

By: 

DAVID J. REICHMAN

Title: Chairman and CEO

Address: 12 Main Street, Suite 279
Brewster, NY 10509

Telephone: (845) 228-1883

Fax: (845) 225-0835

"CONTRACTOR"



Scope of Work
CMUA 2017 Statewide Survey of Business and Key Account Customers Served **By Municipal**
Utilities and
SVP Proprietary Oversample Among Commercial Customers
Both conducted by RKS Research & Consulting

A. SVP PARTICIPATION IN CMUA 2017 STATEWIDE SURVEY OF BUSINESS AND KEY ACCOUNT CUSTOMERS SERVED BY MUNICIPAL UTILITIES.

1. This Statement of Work is entered into by and between Silicon Valley Power (SVP”) and RKS Research & Consulting (“RKS”).
2. The project is **CMUA 2017 Statewide Survey of Business and Key Account Customers Served by Municipal Utilities**. 2017 represents the twelfth time since 1995 that RKS has conducted this project on behalf of CMUA members, and SVP has participated in all of these cycles.
3. The project goal is to track and trend important subjects from previous waves and reserve 35%-50% of the survey to look at new and emerging subjects of interest. As in the past, RKS relies on advice and assistance from utility participants, and SVP has always taken an active role in this process—something we anticipate occurring again in 2017.
4. Research Design & Approach

Statewide: A cross section of California business and key account customers, consisting of 500 telephone interviews surveys with Energy Managers as follows

Municipal Utility Customers	Investor Owned Utility Customers
400	100

The 400 interview final sample of business and key account customers served by municipal utilities will be drawn to provide an overview of the State of California as a whole as well as retaining the ability to break out, contrast, and report results by Northern and Southern California:

Northern CA	Southern CA
150 interviews	250

Interview length is targeted at 10-12 minutes.

5. Timeline

<u>Date</u>	<u>Task</u>
January-February	Organize the survey, obtain sponsorship (preparatory activities)
March-April	Questionnaire development, sample development
May/June	Interviewing for Statewide survey
June	Preliminary Statewide results
Late June-July	Full Statewide report

6. The cost associated with SVP's participation in the statewide survey, as described in this Scope of Work is **\$7,750**.

RKS will invoice SVP for its participation in the project in a lump sum, upon authorization.

B. SVP Proprietary Oversample among Business Customers

RKS will design, conduct, analyze and report on results generated by a proprietary customer satisfaction oversample survey conducted among SVP business customers.

Quota: For the upcoming 2017 business customer oversample, RKS proposes conducting the following:

- 200 telephone interviews among a cross section of SVP business customers, and
- As a way to start to gravitate toward online interviews among business customers, as many as possible online interviews among SVP business customers for which the utility has an active e mail address.

In total RKS will be conducting 200+ interviews for SVP as part of this oversample.

Based on past experience with SVP, RKS understands that that the SVP proprietary oversample questionnaire is likely to be as much as 50% different from the statewide survey. In the past, SVP has asked RKS to develop special series of questions covering new and emerging issues, and RKS appreciates and looks forward to these efforts continuing.

Sample: The sample will be based on customer lists provided by SVP.

Questionnaire: There will be three inputs to the SVP proprietary oversample questionnaire:

1. RKS will start with the questionnaire that is being used in the **CMUA 2017 Statewide Survey of Business and Key Account Customers Served By Municipal Utilities;**
2. RKS will seek proprietary questions from SVP based on issues of local importance in Santa Clara; and
3. RKS will look back to proprietary questions that were asked in SVP's 2013 and 2015 business customer proprietary oversamples to determine need for trending.

These three inputs will provide the bases for development of SVP's proprietary oversample questionnaire. The goal will be to come up with a questionnaire that covers the subjects SVP desires and does so in a telephone and online interview that averages 10-12 minutes.

Interviewing: After the questionnaire is approved by SVP, RKS will conduct 200+ telephone interviews and prepare and launch on line surveys..

Processing, Analysis, Report Preparation: Following the interviewing phase, RKS will analyze the 2017 data and provide, where applicable comparisons against:

- SVP's 2015 and 2013 proprietary business customer oversamples

- Muni statewide averages generated by the 2017 statewide business and key account survey
- California IOU results (generated by the 2017 statewide business and key account survey)

Similar to what RKS has delivered in the past and what SVP has come to expect, RKS' report will provide an analysis of the findings along with our conclusions and recommendations for action. RKS will deliver one or more presentations – either on-site or remotely – depending upon SVP's preferences.

Deep-Dive Statistical Analysis: Similar to previous oversamples, RKS assumes that SVP desires that our statistician take a deeper look into the statistical relationships that emerge from the 2017 oversample. This will be done as part of the basic analysis and report so that SVP receives essentially one deliverable.

Project Schedule: SVP has indicated a preference to conduct its proprietary oversample after completion of **CMUA 2017 STATEWIDE SURVEY OF BUSINESS AND KEY ACCOUNT CUSTOMERS**. RKS assumes that SVP will desire to conduct its business customer oversample during Third Quarter, 2017. Based on this preference, RKS projects the following schedule

SVP 2017 PROPRIETARY OVERSAMPLE OF BUSINESS CUSTOMERS Project Schedule

Project Kickoff	July, 2017
Questionnaire development	July, August,
Questionnaire finalized	Early September
Interviewing	September
Preliminary results	October
Analysis/report preparation	October
Deep dive statistical analysis	Early November
Delivery of results	November
Presentation	To be scheduled

Project Fees: The charges for this project break down as follows:

- | | |
|---|----------|
| • 200+ telephone/online surveys among SVP business customers: | \$17,500 |
| • Deep-dive statistical analysis | \$5,500 |
| • Travel associated with presentation of results | \$2,000 |

The total cost covering all aspects of SVP's 2017 proprietary oversample of business customers is not to exceed **\$25,000**.

Invoicing

RKS proposes invoicing SVP in two installments:

- First installment (50% or \$12500) At start of questionnaire development
- Final installment (50%) Upon delivery of results

Travel to and from Santa Clara must be authorized by SVP. In that case, RKS will invoice SVP for the direct travel expenses incurred.