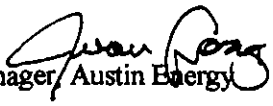


2-3-05
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MEMORANDUM

TO: Mayor and Council Members
Toby Hammett Futrell, City Manager

FROM: Juan Garza 
General Manager, Austin Energy

DATE: January 28, 2005

SUBJECT: Critical Business Need – LexisNexis Service Agreement

ACTION:

As detailed below, and in accordance with City Council-approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE), the execution of a service agreement with LexisNexis for public records retrieval.

BACKGROUND:

LexisNexis, a division of Reed Elsevier, Inc currently provides AE with access to a proprietary public records database, the most extensive of its kind. The Call Center uses the database to verify residential and commercial customers' identities by using a Social Security Number and Texas Drivers License cross-referencing function. The service allows the Call Center to validate the customer's name with the ID information so that a Utility account can be set up over the phone without seeing the customer in person. LexisNexis is the only resource that provides customized WebPage access points and security log-on IDs for an unlimited number of simultaneous users (e.g., all the Call Center personnel) for unlimited use at a fixed cost per month. Other providers require a per transaction charge and/ or limit users, which would make the practice of validating customer identification at the call transaction prohibitively expensive.

A change in the use of this service would be detrimental to the overall quality of customer service provided by the Call Center. Call Center personnel are fully trained using this database and it has been built into the training of the account set-up business processes. Developing a new product, re-designing the account set-up process and re-training the staff would have a major impact on service delivery for a time period that would exceed four months. During that time, AE would not be able to verify customer identification and the potential for fraud and corresponding difficulty with outstanding balances would increase. The LexisNexis service is a Critical Business Need for Austin Energy in order to maintain excellent customer service and protect the competitive position of the utility.