

AUSTIN ENERGY COUNCIL

AGENDA



Thursday, January 11, 2007

+ Back Print

Purchasing Office RECOMMENDATION FOR COUNCIL ACTION

ITEM No 32

Subject Authorize award and execution of a 12-month requirements service contract with AMERICAN SOCIETY FOR QUALITY, Milwaukee, WI, for the purchase of customer satisfaction research services for Austin Energy in an estimated amount not to exceed \$50,000, with two 12-month extension options in an estimated amount not to exceed \$50,000 per extension option, for a total estimated contract amount not to exceed \$150,000

Amount and Source of Funding Funding in the amount for \$37,500 is available in the Fiscal Year 2006-2007 Operating Budget of Austin Energy. Funding for the remaining three months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)

No Attachments Available

For More Information Gabriel Guerrero, Buyer II /322-6060

Purchasing Language Sole Source

MBE/WBE This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified, therefore, no goals were established for this solicitation.

This contract will allow Austin Energy (AE) to participate in a study that provides residential customer perceptions of quality, value, expectations, loyalty, satisfaction and level of complaints through the use of the American Customer Satisfaction Index (ACSI). This index is part of a study that is a joint effort between University of Michigan and the American Society for Quality, and is the index used by the US Government as a national economic indicator of customer satisfaction with the quality of goods and services used to forecast the Gross National Product and consumer spending.

Participating in the ACSI study provides Austin Energy with two critical pieces of information: an impartial measure of residential customer perceptions about the service they receive from Austin Energy, and a means to compare the Utility's performance to that of 28 other energy utilities in the US.

Between 400-500 Austin Energy residential customers are surveyed during the calendar year. The surveys are conducted at the end of each quarter. The quarterly and cumulative results are reported on a quarterly basis. Austin Energy uses this information to understand how our customers perceive our levels of service and make appropriate adjustments to increase their satisfaction with the company and the service they receive.

Understanding Austin Energy's customers' perceptions and the customer perceptions of companies in other service territories is critical in this still evolving regulated/deregulated energy market. It is also critical for Austin Energy to understand and improve upon the levels of customer satisfaction and loyalty in our service territory. ACSI is the best scientific measure of satisfaction and loyalty available with comparability to other companies.

The information gathered by participation in the ACSI is provided to Austin Energy management for consideration in business and service planning. Two measures from the study are reported to the City Manager and City Council via Austin Energy's Corporate Score Card, customer satisfaction and customer perceptions of AE's electric reliability. The market research, planning and development department uses this information to determine the most critical areas of under-achievement and focuses Austin Energy's customer research in these areas to gain further insight into these issues. The ACSI information assists AE in both strategic and tactical planning efforts.

This is a sole source contract since the information being provided to the utility is proprietary in nature and is not available from any other independent studies in the United States. ACSI's study is copyrighted.