



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lee Wilcox

SUBJECT: SEE BELOW

DATE: February 20, 2019

Approved

Date

2-21-19

SUBJECT: CONTINUATION AND FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES BETWEEN THE CITY OF SAN JOSE AND FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES, INC.

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute the Continuation and First Amendment to the Agreement for Consultant Services between the City of San José and Fairbank, Maslin, Maullin, Metz & Associates, Inc. (FM3) through December 31, 2020, increasing maximum compensation from \$618,500 to \$1,000,000, subject to the appropriation of funds.

OUTCOME

The execution of the Continuation and First Amendment for Consultant Services will allow FM3 to continue to conduct surveys on behalf of the City.

BACKGROUND

Since 2000, the City has conducted multiple community, employee, and ballot measure surveys. These surveys are used to provide data for various performance measures, and to evaluate the effectiveness of City services and amenities, including libraries, parks, community centers, and perception of public safety. The City contracted with Fairbank, Maslin, Maullin & Associates (FMMA, now known as FM3) for their survey services between 2000 and 2006; FMMA conducted either a community satisfaction survey or an employee satisfaction survey in alternating years. The City issued a Request for Qualifications in 2006 for two years of survey services; FMMA was the sole respondent, and received a new two-year contract. In 2007, the City issued a Request for Proposals for consulting survey services to cover a three-year period, with an option to extend. FMMA was selected to continue performing these surveys; the contract expired in December 2014.

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In October 2014, a Request for Proposals for survey services was issued. A staff evaluation panel reviewed the nine submissions and recommended the selection of FM3. In 2015, the City entered into the current Agreement for Consultant Services with FM3 in the amount of \$618,500 to perform up to two community surveys, up to four budget priorities surveys, and ballot measure surveys (as directed). In 2017, the City exercised two options to extend the Agreement through December 31, 2018.

ANALYSIS

The Administration recommends amending the Agreement to extend the term through December 31, 2020—providing continuity and access to previous years' survey data in addition to adjusting the schedule of performance and scope of services—allowing greater flexibility by including modernized survey methods. To accomplish this, the amendment increases the maximum amount of total compensation to a total of up to \$1,000,000 (from the current contract amount of \$618,500). This increase in funding, subject to Council appropriation, allows for additional community surveys and ballot measure surveys on an as-needed basis, and also provides capacity for additional budget priority surveys funded by the Mayor's Office. This extension ensures the City's ability to utilize consistent survey methods through the 2020 election cycle.

This Continuation and First Amendment allows for the following: two community surveys, conducted on behalf of the City Manager's Budget Office every other year, to measure resident satisfaction with several City services and amenities; budget priorities surveys, to assist with determining which community and budget service priorities are important to the residents; and ballot measure surveys, to provide the Administration with feedback on potential ballot measures. Unlike community surveys, which are conducted on a regular schedule, budget priority surveys and ballot measure surveys are conducted on an as-needed basis. All surveys will be translated into Spanish and Vietnamese, conducted using address-based residential survey, telephone voter survey, or dual-mode voter survey methods (described below), and will generate at least 1,000 responses from San José residents. FM3 will benchmark survey results with other municipalities in consultation with the Administration, and will prepare summary reports for each survey.

Community Surveys

Previous community surveys were conducted using a Random-Digit Dialing (RDD) methodology. Using an RDD approach, a random selection of phone numbers that are likely in San José are dialed. The interviewer asks screening questions to confirm the survey respondent lives in San José, and to determine demographic data. The RDD sample population used for community surveys is taken from two separate RDD samples: a traditional RDD sample (mostly landlines), and a cell phone RDD sample (mostly cell phones). FM3 determines the ratio of how the San José survey sample will be comprised (landline vs. cell phone) based on the most recent National Health Interview Survey, which includes data on the percentage of adults living in Santa Clara County whom are cell phone-only or landline-only.

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It should be noted that cell phone-only households are growing in prevalence, especially among younger residents and residents of color, so determining the ratio of RDD sample types is necessary to ensure residents who rely exclusively on cell phones in their households are represented. However, the growing proportion of cell phone-only households and the portability of phone numbers (residents of San José can have area codes from all over the country) has made the RDD approach more expensive and time-consuming. This Continuation and First Amendment will allow for the adoption of new survey methods that modernize the way the City conducts surveys, ensuring community surveys represent our broader community.

The use of an address-based residential survey methodology instead of RDD will allow greater targeting in the sample and ensure the City has the tools to better mirror the community at large. The new methodology involves pulling a random sample of addresses in specific communities and matching those addresses with contact information (email addresses and phone numbers) available through public and commercial databases. When a resident's email address is available through a database, the resident is sent an email inviting them to take the survey online. If only a phone number is available, the resident is called and interviewed (similar to the current RDD approach). Postcards are also mailed to addresses that have no contact information available and the residents are invited to take the survey online. Postcards and email messages are City-branded to increase the response rate. The responses from each method are combined to create a sample that reflects the adult population of San José (based on US Census demographic data). Address-based surveys are also more cost-effective, and include residents who are less likely to take a survey by phone.

Budget Priority Surveys

Budget priority surveys have historically been conducted using a mix of the RDD method and a telephone voter survey method in which the sample survey population is obtained from a random sample of likely voters (determined based on their previous election participation, pulled from the Santa Clara County's voter file). Going forward, budget priority surveys will be conducted using the address-based residential survey methodology described above.

Ballot Measure Surveys

Ballot measure surveys have been conducted using telephone voter survey methodology, where likely voters are contacted by phone. This will continue, with a second option to conduct a dual-mode voter survey. A dual-mode voter survey is like an address-based residential survey in that it reaches out to voters via both telephone and email. Voters with an email address available are sent a City-branded email inviting them to take a survey online. Remaining voters in the sample population are contacted by phone to take the survey. Online surveys for ballot measures are advantageous in that they are easier for respondents to see specific pro and con arguments for the ballot measures being tested.

The Administration believes these updates to the survey methodology are necessary to best serve San Jose's residents and ensure a representative sample of the City is surveyed.

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EVALUATION AND FOLLOW-UP

No follow-up action with City Council is expected.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 5, 2019 Council meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The contract will be funded from multiple appropriations, including the ongoing Customer Satisfaction Survey (Bi-Annual) appropriation, and the one-time allocation of \$175,000 in the Ballot Measure Polling appropriation. Budget priority surveys are conducted and funded by the Mayor's Office. It is anticipated that additional one-time funding will be requested through the 2019-2020 Budget process to conduct additional ballot measure surveys. The expenditures under the contract are subject to Council appropriation.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

LEE WILCOX

Chief of Staff, City Manager's Office

For questions, please contact Anna Szabo, Senior Executive Analyst, at 408-535-3843.