

AMENDMENT NUMBER 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN
TEX HAHN COMMUNICATIONS, INC. AND
THE CITY OF ANN ARBOR

The City of Ann Arbor, a municipal corporation, 301 E. Huron Street, Ann Arbor, Michigan 48107 (“City”) and Tex Hahn Communications, Inc., a Texas Corporation, having its offices at 4200 Marathon Boulevard, Suite 300, Austin, TX, 78756 (“Contractor”) agree to amend the professional services agreement for the public outreach and marketing plan for utilities executed by the parties dated January 6, 2018 as follows:

- 1) Article I, DEFINITIONS is amended to read as follows
 - A. Administering Service Areas/Units means Systems Planning Unit
 - B. Contract Administrator means Jennifer E. Lawson or whomever the Contract Administrator may from time to time designate.
 - C. Deliverables means all Plans, Specifications, Reports, Recommendations, and other materials developed for or delivered to City by Consultant under this Agreement.
 - D. Project means Public Outreach and Marketing Plan for Utilities.

- 3) Article IV, COMPENSATION OF CONSULTANT is amended to read as follows:
 - A. The Contractor shall be paid on the basis of time spent and materials used as specified in Exhibit A and as amended for additional tasks by Amendment Number 1 (Exhibit A-1) for acceptable work performed and acceptable deliverables received. The total fee to be paid the Consultant for the Services shall not exceed \$158,335.00. The original contract amount was \$135,170.00. Payment shall be made monthly following receipt of invoices submitted by the Consultant, and approved by the Contract Administrator.

All terms, conditions, and provisions of the original agreement between the parties executed February 6, 2018, unless specifically amended above, are to apply to this amendment and are made a part of this amendment as though expressly rewritten, incorporated, and included herein.

This amendment to the agreement between the parties shall be binding on the heirs, successors and assigns of the parties.

Dated this April 3, 2018.

For Contractor

By _____
Jeff Hahn
Tex Hahn Communications, Inc.

For City of Ann Arbor

By _____
Christopher Taylor, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance

By _____
Howard S. Lazarus, City Administrator

By _____
Craig Hupy, Public Services Area Administrator

Approved as to form and content

By _____
Stephen K. Postema, City Attorney

Ann Arbor Water Rates Communication

The City of Ann Arbor (A2) recently concluded a Cost of Service (COS) study for its drinking water and wastewater rates. In order to gain support for the rate adjustment recommended under the COS, Hahn Public is honored to provide this proposal to develop and execute a public outreach campaign to educate customers and raise awareness of the issue. The issue of rates is a highly sensitive one that needs to be communicated very carefully so as to avoid public protest. Based on our experience and research on similar issues, we recommend taking the steps below to help ensure the success of the rate outreach campaign and strength public support in the long-run.

Approach:

One of the overarching themes from the water values survey is that Ann Arborites are willing to pay for their increased rates, they just need a strong justification, transparency and increased accountability from the City. Thus, the approach recommended for this campaign encapsulates all the values and principles that surfaced in the water values survey and our knowledge in water rates communication. Since Hahn Public is currently executing the stormwater outreach campaign, we recommend including the rates communication outreach into the overall process.

We recommend the project run from Mar. 2018 to Sept. 2018, executed in two phases of outreach:

I. Phase I: March – June 2018

Since the rate structure is going before Council in May 2018 we recommend simultaneously producing and releasing the creative designs and content within the month of March. Within March 2018 we will deliver the following:

1. Key messages – a document containing messaging for staff spokespeople to use during media interviews or public meetings.
2. Infographic I – an infographic on explaining the rate structure in simple terms with brief explanations where necessary.
3. Bill Insert – a simple yet attention-grabbing design that alerts residents of the new rate increase and how funds will be invested to improve and maintain water and wastewater infrastructure.
4. Creative campaign – a fully developed and fine-tuned campaign to raise awareness on the need for the rate increase and appreciation for the city and utility's expertise in ensuring high water quality in the City. Deliverables will include the campaign theme, look and feel, design assets and color palettes, so that AA can replicate and use as per their needs for future campaigns.

II. Phase II: May – September 2018

After the Council vote we will gather and apply the lessons learned toward the development of a well-thought out creative campaign. By May 2018 we will also have the results from the surveys and focus groups to help inform the creative campaign.

Scope of services and deliverables will be discussed in conjunction with existing stormwater outreach work.

**Ann Arbor Water Rates Education and Awareness Campaign
March – June 2018**

Please see below Hahn Public’s proposed timeline and budget for the deliverables under the water rates education campaign. For more details on execution please refer to the proposal brief.

	Month	1	2	3	4
		Mar-18	Apr-18	May-18	Jun-18
Action Item	Budget			CC Proposal	
Phase I					
Key messages	\$ 2,400				
Creative development	\$ 6,015				
Infographic I - rate structure explanation	\$ 1,500				
Mailer	\$ 5,500				
Project management	\$ 7,750				
Total	\$ 23,165				