

d. Procurement of Training, Marketing, Technical and Management Services – Pivot Group



City Manager/General Manager | 334 Front Street, Ketchikan AK 99901 | (907)228-5603

TRANSMITTAL MEMORANDUM

5d

TO: The Honorable Mayor & City Council Initials: 

FROM: Lacey G. Simpson, Acting General Manager File #: MGR25-165

DATE: March 14, 2025 Mtg. #: 03/20/25 CA d

RE: **Authorizing the Procurement of Training, Marketing, Technical and Management Services – Pivot Group**

The motion detailed below was prepared at the request of KPU Sales, Marketing & Customer Services Division Manager Kim Simpson, who asked that it be placed before the City Council for consideration at its meeting of March 20, 2025. If adopted, the motion provides for authorizing the purchase of training, marketing, technical and management services from Pivot Group in an amount not to exceed \$60,000.

The rationale for continuing services with Pivot Group, who has successfully provided these services for the division for many years, is outlined in Ms. Simpson's transmittal memorandum. Staff anticipates that the purchase will exceed \$50,000 for the fiscal year and is now seeking Council approval pursuant to section 3.12.050(a)(6) to avoid incompatibility issues and with respect to Pivot Group's expertise and familiarity with KPU's operations and needs.

As the funding was allocated to the division's 2025 operating budget, continued work with Pivot Group will result in the most desirable outcome for KPU, and the vendor maintains relevant expertise under KMC 3.12.050(a)(6)(b), I concur with Ms. Simpson's recommendation.

A motion has been prepared for City Council consideration.

Recommended Motion:

Pursuant to subparagraph 6 of section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council authorize the procurement of Pivot Group services in the amount of \$60,000 and approve funding in the amounts of \$17,000 from the division's 2025 Travel-Training and Education account (Account No. 600.03), \$20,000 from the division's Marketing account (Account No. 605.02), \$7,000 from the division's Technical Services account (Account No. 635.12), and \$16,000 from the division's Management & Consulting Services account (Account No. 640.04).



**KPU Sales, Marketing &
Customer Service**
2417 Tongass Avenue, Ste
119D
Ketchikan, AK 99901
Phone (907) 225-1000

Memorandum

To: Lacey Simpson, Acting KPU General Manager

From: Kim Simpson, KPU Sales, Marketing & Customer Service Division Manager

Date: March 10, 2025

Subject: **City Council Procurement Pivot Marketing and Pivot Group**

The purpose of this memorandum is to request that the General Manager seek City Council authorization for exempting the procurement of services provided by Pivot Group from the competitive bidding / written quotation requirements of the Ketchikan Municipal Code.

Background

KPU has utilized multiple services from Pivot Marketing and Pivot Group since 2010. Pivot is a marketing and professional services organization that is focused on serving rural telecommunication and internet providers. The services range from employee training to website design and maintenance, website hosting, search engine work, the new FCC nutritional broadband labels, customer service call back activity, call coaching, and more. Pivot recently merged into one division known as Pivot Group, although the suite of services provided have not changed. They are all now under one name.

KPU Customer Service utilizes Pivot for annual employee training, KPU Telecommunications website hosting and web search engine marketing and optimization, broadband label maintenance, and a service called Voice of the Customer, which provides feedback to KPU on installation and trouble-ticket calls, as well as customer issues.

KPU does not have any annual contract with Pivot, other than the annual webhosting contract for \$4,800. However, the services that Pivot provides are invaluable in marketing to and communicating with both current and potential customers. Many services that Pivot provides are not available from other vendors since Pivot is specialized for rural internet providers. Since Pivot hosts KPU's website, it is only sensible for Pivot to also manage KPU's SEO keywords, SEO marketing, as well as the FCC required nutritional broadband labels. As stated previously, Pivot also provides training to KPU staff members on sales techniques, competitive strategies, communication, teamwork and updates them on industry changes. Pivot also conducts follow up customer satisfaction surveys on all of KPU's installs and trouble-ticket visits.

Many of Pivot's services fall under the KMC section 3.12.050 (a) (5) Services of a professional nature such as engineering, architectural, legal, medical or consulting services, as well as 3.12.050 (a) (6) "services which should be purchased from a specific source in order to prevent

incompatibility with previously purchased supplies, materials, equipment or contractual services. For purposes of this subparagraph, the term "incompatibility" is defined as:

- (a) The inability to interconnect, combine, interchange, or join; or
- (b) That which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements. Any purchase which is to be excluded from competitive bidding by authority of this subparagraph which exceeds \$10,000, must first be approved by council."

It is projected that the total dollars billed to KPU for seven different activities will exceed \$50,000, therefore authorization is being requested from council.

The services from Pivot are budgeted under the following accounts in the Sales, Marketing and Customer Service Budget: Account 520-5110-4000-600.03 Training, 520-5110-4020-605.02 Marketing, 520-5110-4020-635.12 Technical Services, and 520-5110-4000-650.04 Management services.

Not retaining Pivot as a vendor would disrupt the ability of KPU Customer service to operate in multiple areas effectively and efficiently. I recommend seeking approval from City Council to exempt this procurement from the competitive bid/written quotation requirements of the KMC.

Recommended Motion:

Pursuant to Subparagraph 6 of Section 3.12.050 (a) of the Ketchikan Municipal Code, I move the City Council authorize the procurement of Pivot Group services in the amount of \$60,000 and approve funding in the amount of \$17,000 from Account 520-5110-4000-600.03 Training, \$20,000 from 520-5110-4020-605.02 Marketing, \$7,000 from 520-5110-4020-635.12 Technical Services, and \$16,000 from 520-5110-4000-650.04 Management services.

cc:

Michelle Johansen, City Finance Director

Joe Graham, KPU Telecommunications Accountant



City Manager/General Manager | 334 Front Street, Ketchikan AK 99901 | (907)228-5603

TRANSMITTAL MEMORANDUM

TO:	The Honorable Mayor & City Council	Initials:	
FROM:	Lacey G. Simpson, Acting General Manager	File #:	MGR25-184
DATE:	March 19, 2025	Mtg. #:	03/20/25 LOTa
RE:	Additional Information – Procurement of Training, Marketing, Technical and Management Services, Pivot Group		

With respect to agenda item 5d, Procurement of Training, Marketing, Technical and Management Services by the KPU Sales, Marketing and Customer Service Division from Pivot Group, Mayor Sivertsen has requested additional information on the referenced report provided to the division as well as the types of trainings provided.

Regarding the trainings provided by Pivot Group to customer service staff, these have been virtual and in-person, on-site for annual trainings in basic customer service topics as well as in response to the latest issues affecting the industry and KPU. KPU Sales, Marketing & Customer Service Division Manager Kim Simpson has elected to have trainings on-site with applicable staff for such recent topics such as regulatory changes, competitive issues for KPU and other rural telecommunications providers, basic customer service approaches, technology and equipment upgrades, interpersonal communication within the department, and more topical issues such as how to address the Telecommunications Division's sunset of cable television and retention of internet customers. These in-person trainings are collaborative and promote a free and open exchange of ideas between staff. Virtual trainings provided by Pivot Group have addressed annual privacy/Customer Proprietary Network Information (CPNI), broadband/internet basics, FCC mandated "nutrition" labels, customer experience training, dealing with difficult customers, red flag rules, customer retention, active listening, and sales approaches. Each series is 1.5 to 6 hours in length.

With respect to the customer satisfaction survey report provided to the division from Pivot Group, these reports contain sensitive customer information and cannot be shared publicly. Should the City Council wish to know more about KPU's customer service performance, I would suggest that Ms. Simpson provide a summary version of the information to the City Council in her monthly manager's report or on a quarterly basis.

It is worth noting that as the division has consistently engaged with Pivot Group for nearly 15 years, funds to support these expenditures have been consistently allocated to the division's annual budget and are appropriated in the 2025 KPU Operating & Capital Budget for the division.