



- Board of Directors
Communications and Legislation Committee

3/10/2015 Board Meeting

8-9

Subject

Authorize entering into a contract with Quigley-Simpson & Heppelwhite, Inc. for advertising and community outreach services related to water conservation and other key water issues not to exceed \$5.5 million.

Executive Summary

In January 2015 the Board authorized a 2015 water awareness and conservation advertising campaign with a budget not to exceed \$5.5 million. The Board also authorized staff to initiate a request for proposals for consulting and creative services, supported by digital, print, broadcast and social media and outreach activities for a culturally diverse campaign. Staff has completed an open, competitive consultant selection process and recommends the Board authorize entering into a one-year agreement with Quigley-Simpson & Heppelwhite, Inc. for an advertising and community outreach campaign not to exceed \$5.5 million. The campaign will be aimed at increasing water conservation, heightening water awareness and highlighting the value of a permanent Southern California water-conserving lifestyle. The campaign would be adaptable to changing climate and water supply conditions as they play out through the year, including the possibility of Metropolitan allocating imported water supplies.

Details

California is now in the fourth year of drought with historic dry conditions and higher than normal temperatures that have the potential to increase demand. Impacts include diminished reservoir levels, depleted groundwater basins, and limits on State Water Project deliveries. The Colorado River Basin is also experiencing a multi-year drought, impacting supplies from the river. As a result, the Board may consider allocating imported water supplies to the member agencies in 2015. Additionally, the state is operating under a governor-declared drought emergency, with a call on communities to reduce water use by 20 percent and implement new water use restrictions. It is critical to continue Metropolitan's far-reaching, regional advertising and public outreach efforts in 2015 urging Southern Californians to reduce their water use, especially in the hot summer months when water use is at its highest. Even if wetter conditions prevail in the next few months, low reservoir levels on the State Water Project and in Southern California underscore the need for continued prudent use of remaining supplies.

On January 13, 2015, the Board authorized staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and authorized funding for a 2015 campaign, not to exceed \$5.5 million. Immediately following board approval, staff issued RFP PL-1089 for Water Awareness and Conservation Advertising Services. A pre-proposal conference was held on January 20, 2015.

Evaluation Process

Twelve firms responded to RFP 1089. The proposals were evaluated by an internal selection committee consisting of nine staff members representing External Affairs, Water Resource Management, and Business Outreach. The evaluation criteria included qualifications and staffing, record of past performance, technical approach and methodology, draft campaign proposal, environmental sensitivity, and business outreach programs. The four firms that received the highest cumulative scores from the committee were invited to interview on

February 18, 2015. Quigley-Simpson & Heppelwhite, Inc. received the highest cumulative score by the selection committee based on the interview, and the committee recommends Quigley-Simpson be awarded the contract.

Introduction to the Quigley-Simpson Team

Quigley-Simpson & Heppelwhite, Inc. is a Los Angeles-based, full service advertising firm. Their team for the Metropolitan 2015 campaign includes several subconsultants with different areas of expertise:

- Lopez Negrete Communications, Burbank – Hispanic outreach
- IW Group, West Hollywood – Asian outreach
- Bauman Curry & Company, Culver City – African American outreach
- GP Generate, Los Angeles – media buying, analytics
- Environmental Media Association, Beverly Hills – talent
- Opinion Dynamics, Oakland – research

This team has experience working together on a broad range of outreach, public awareness, behavior change, and social marketing campaigns to effectively reach diverse demographic groups and leverage communication opportunities in cost-effective ways. They have provided services to Southern California Edison on several programs, including the 2014 Summer Readiness campaign to reduce energy consumption during the peak season and have a strong track record working for many other public utilities, agencies, and organizations.

Next Steps

With board authorization, staff will finalize the agreement with Quigley-Simpson & Heppelwhite, Inc. and immediately begin preparing Metropolitan's campaign. Staff has developed an aggressive development schedule so that the messaging and outreach activities can be implemented by summer.

Policy

Pursuant to Metropolitan Water District's Administrative Code Section 4210, it shall be the policy of Metropolitan to undertake and support water conservation programs. To that end, Metropolitan may develop and implement such programs and enter into agreements with member public agencies and other organizations to make more efficient use of water resources through water conservation programs so long as such agreements serve a beneficial purpose of Metropolitan.

By Minute Item 48772, dated August 16, 2011, the Board adopted the Long-Term Conservation Plan and revisions to the water conservation policy principles. The Plan identifies outreach and education as a key strategy to help reduce per capita water use.

By Minute Item 49676, dated February 11, 2014, the Board adopted a Water Supply Alert Resolution calling for increased awareness and extraordinary conservation within Metropolitan's service area (Resolution 9168).

By Minute Item 49680, dated February 11, 2014, the Board authorized an increase of \$20 million for conservation incentives and outreach.

By Minute Item 49709, dated March 11, 2014, the Board authorized a \$5.5-million agreement with Fraser Communications for regional communications and advertising services and media buys related to water awareness and conservation.

By Minute Item 49978, dated December 9, 2014, the Board authorized an increase of \$40 million for conservation incentives.

On January 13, 2015, the Board authorized staff to initiate a request for proposals for a summer water awareness and conservation advertising campaign; and authorized funding for a 2015 campaign, not to exceed \$5.5 million.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize the General Manager to enter into a one-year agreement with Quigley-Simpson & Heppelwhite, Inc. for advertising and community outreach services related to water awareness and conservation, not to exceed \$5.5 million.

Fiscal Impact: \$5.5 million, with \$3 million in FY 2014/15 and FY 2015/16 External Affairs budget and \$2.5 million from the Water Management Fund

Business Analysis: Increased awareness and conservation will help the region improve its water supply reliability and reduce the magnitude of a potential shortage in 2015 and beyond. This communications campaign would provide public messaging consistent with Metropolitan’s programs and strategic goals, and the state of California’s drought response activities.

Option #2

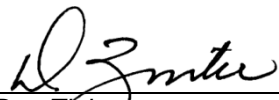
Do not authorize the General Manager to enter into a one-year agreement with Quigley-Simpson & Heppelwhite, Inc.

Fiscal Impact: Metropolitan may incur increased operational costs to withdraw more water from storage and may need to purchase additional transfer water to protect regional storage reserves if dry conditions persist and the region does not take action to reduce demands.

Business Analysis: Demands for imported water may exceed supply and make it more difficult to manage storage reserves in future years if dry conditions persist and the region does not take other actions to reduce demands. Staff would seek direction from the Board on whether to re-bid for advertising services. Re-bidding services would take 2-3 months and would delay a summer public awareness and education campaign when water demands peak and advertising is critical.

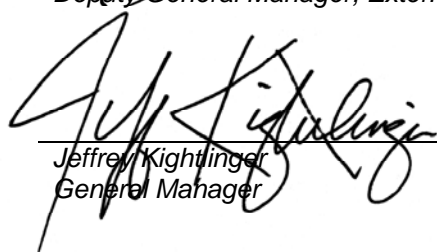
Staff Recommendation

Option #1



Dee Zinke
Deputy General Manager, External Affairs

3/3/2015
Date



Jeffrey Kightlinger
General Manager

3/4/2015
Date