



● **Board of Directors**
Communications and Legislation Committee

2/9/2016 Board Meeting

8-6

Subject

Authorize extension of the contract term for one year with Quigley-Simpson & Heppelwhite, Inc. for a water awareness and conservation advertising campaign; and to increase the contract value by \$2.2 million for a new not-to-exceed amount of \$7.7 million over the full term of the contract

Executive Summary

In March 2015, the Metropolitan Board authorized the General Manager to enter into a one-year contract with Quigley-Simpson & Heppelwhite, Inc. for an advertising and community outreach campaign not to exceed \$5.5 million. The regional water conservation advertising and outreach campaign was aimed at increasing water conservation, heightening public awareness of the drought and water issues, and highlighting the value of a permanent Southern California water-conserving lifestyle. This contract expires in March 2016.

Staff recommends that the Board authorize the General Manager to (1) extend the current contract with Quigley-Simpson & Heppelwhite, Inc. to March 2017, and (2) increase the maximum amount payable by \$2.2 million.

Details

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 proposal for consulting and creative services supported by digital, print, broadcast and social media and outreach activities for a culturally diverse advertising campaign. Following board approval, staff issued Request for Proposal PL-1089 for Water Awareness and Conservation Advertising Services. Twelve firms responded to RFP 1089. The proposals were evaluated by an internal selection committee consisting of nine staff members representing External Affairs, and staff from Water Resource Management and Business Outreach. Quigley-Simpson & Heppelwhite, Inc. received the highest cumulative score by the selection committee.

In March 2015, the Metropolitan Board authorized the General Manager to enter into a one-year contract with Quigley-Simpson & Heppelwhite, Inc. for an advertising and community outreach campaign not to exceed \$5.5 million. The regional water conservation advertising and outreach campaign was aimed at increasing water conservation, heightening water awareness and highlighting the value of a permanent Southern California water-conserving lifestyle.

Description of Award Winning Campaign

The 2015 campaign, "Let's All Take a Turn," (Turn) was designed to increase and promote water conservation among Southern California residents using television, radio, billboards and other outdoor signs, digital advertising, social media and community events. Radio advertising began in the spring, following the Governor's declaration of a drought emergency. The rest of the media campaign was launched in early July and continued through fall. Quigley-Simpson and its subcontractors specializing in ethnic media, digital advertising and social media helped develop and implement the \$5.5 million multimedia campaign. For the first time, the full campaign was translated in Spanish, Chinese, Korean and Vietnamese. To maximize Metropolitan's media investment, television, outdoor and radio advertising was staggered throughout the summer and fall. In addition to the

\$3,996,634 media buy, the consultant negotiated for approximately \$1.9 million in value added, bonus media spots and under-market rate advertising, effectively adding nearly 50 percent more advertising spots and placements to the campaign at no additional cost to Metropolitan.

With approximately 900 million impressions, the campaign successfully reached its audiences throughout Southern California. Metropolitan strengthened its outreach and voice across all demographics by providing information, helpful tips, how-to videos and web-based materials to increase water awareness, inspire conservation actions and affect behavior change.

- The campaign was very effective in driving the public to Metropolitan's bewaterwise.com website. In its peak month, August 2015, the digital advertising had almost 5 million impressions on mobile and desktop news feeds and engaged with more than 700,000 unique people (likes, comments and shares) as compared to 192,000 one year earlier.
- Using social media and an aggressive online strategy, Metropolitan reached digitally-savvy millennials and culturally-diverse audiences with unique approaches resulting in significant growth on Twitter, Facebook and Instagram, and tens of thousands of views of English and Spanish-language videos posted on social media channels.
- The campaign sponsored streaming music channels on Pandora and the Spanish-language station Uforia featuring water-themed songs timed for shorter showers. With over 470,000 impressions since its inception, success was measured by total listenership, length of listening session, and skip rates, all of which exceeded the baseline metrics and industry standards.

In a November 2015 survey, member agency public information officers gave high marks to the Turn campaign for its strong messages and effectiveness. Another survey conducted for Metropolitan in December 2015 by the independent research firm EMC found that 46 percent of those surveyed had seen or heard the Turn campaign ads, and the print and television advertising pieces were rated positively by 60 percent and nearly 90 percent respectively of the respondents. In November, Metropolitan received the prestigious Best PR Team award from the Public Relations Society of America, Southern California chapter in part because of the success and effectiveness of the Turn campaign.

Proposed 2016 Campaign

Because of the demonstrated effectiveness of the 2015 Turn advertising and outreach conservation campaign and the need for continued conservation activities in 2016, staff recommends the Board authorize an extension of the current contract with Quigley-Simpson & Heppelwhite, Inc. This year's campaign will build on the success of the 2015 campaign and evolve with new creative components to provide updated messaging that responds to any changes in public awareness and perceptions about water conditions and conservation. The campaign will also develop and implement new strategies to broaden the audiences for Metropolitan's conservation messages through additional, targeted outreach efforts and funding to regionally and culturally diverse audiences.

External Affairs staff proposes to negotiate for a cost-effective, high-value paid advertising and outreach campaign that will be supplemented with in-house activities. It is anticipated the campaign would focus on outdoor, radio, digital and social media using many of the creative resources and production components developed for the 2015 campaign that can be adapted, as needed, with updated messaging to address current conditions. The campaign would once again be conducted in multiple languages, with additional and expanded outreach to community-based organizations and newspapers, collaboration with member agencies on advertising campaign-related resources and materials, and high-visibility outreach activities. By extending the current contract, a 2016 multilingual campaign with these elements could be developed and produced in an expedited timeframe and carefully managed throughout the contract term to deliver effective outreach activities with significant and positive results.

Next Steps

With board authorization, staff will enter into a contract amendment with Quigley-Simpson & Heppelwhite, Inc. and immediately begin preparing Metropolitan's 2016 advertising and outreach campaign.

Recommendation

Staff recommends that the Board authorize the General Manager to extend the termination date of the current contract with Quigley-Simpson & Heppelwhite, Inc. to March 2017, and to increase the maximum amount payable on the contract by \$2.2 million, consistent with the FY 2015/16 budget and the proposed budget for FY 2016/17, for a new not-to-exceed amount of \$7.7 million over the full term of the contract.

Staff will evaluate water supply conditions throughout the year. Should conditions warrant, staff will return to the Board with a recommendation to augment the proposed advertising and outreach campaign and seek supplemental funding, accordingly.

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 50012, dated 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 2016 campaign, not to exceed \$5.5 million.

By Minute Item 50067, dated March 10, 2015 (amended April 14, 2015), the Board authorized the General Manager to enter into a one-year contract with Quigley-Simpson & Heppelwhite, Inc. for an advertising and community outreach 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 extend the current contract with Quigley-Simpson & Heppelwhite, Inc. to March 2017, and increase the maximum amount payable on the contract by \$2.2 million.

Fiscal Impact: \$2.2 million available in External Affairs' FY 2015/16 and FY 2016/17 budgets.

Business Analysis: Increased awareness and conservation will help the region improve its water supply reliability through reduced demands and potentially reduce the magnitude of any shortages in 2016 and

beyond. This communications campaign would provide public messaging consistent with Metropolitan’s programs and strategic goals, and the state of California’s drought emergency and response activities.

Option #2

Do not authorize the General Manager to extend the current contract with Quigley-Simpson & Heppelwhite, Inc.

Fiscal Impact: Metropolitan and its member agencies may incur increased operational costs related to water supply demand and penalties for excessive water use imposed by the state of California if 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 and meet water conservation requirements in future years if the region does take other actions to increase conservation.

Staff Recommendation

Option #1

	2/3/2016
_____ Dee Zinke Assistant General Manager/ Chief External Affairs Officer	Date

	2/3/2016
_____ Jeffrey Kightlinger General Manager	Date