



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

6/11/2024 Board Meeting

8-3

Subject

Authorize entering into a three-year contract with We Are RALLY, LLC for media placement services related to drought awareness and water conservation not to exceed \$10.5 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

As Southern California faces increasingly variable weather and climate whiplash, staff proposes to continue paid advertising and outreach efforts that build upon a strong water conservation ethic within the region. In November 2023, staff initiated a request for proposals seeking multimedia and multilingual advertising services for a three-year agreement not to exceed \$10.5 million, resulting in 16 qualified candidate agencies. Staff conducted a competitive consultant selection process. Following the interview and analysis of three finalist agencies, staff recommends the Board authorize the General Manager to enter into a three-year agreement with We Are RALLY, LLC (RALLY) for multimedia advertising placement consulting services not to exceed \$10.5 million.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into a three-year agreement with We Are RALLY, LLC for media placement and advertising consulting services not to exceed \$10.5 million.

Fiscal Impact: Funds not to exceed \$3.5 million per year are contingent on FY 2024/25 and 2025/26 board-approved biennial budget. Contract capacity for FY 2026/27 is \$3.5 million if needed, but expenditures will not exceed the funding provided in the future board-approved biennial budget.

Business Analysis: Sustained water conservation and climate change communication will help the region improve its water supply reliability, increase awareness of regional and local rebate programs, and highlight the value of a Southern California water-saving lifestyle. Media placements, strategic advice and research would focus on public messaging consistent with Metropolitan's strategic objectives to effectively market the region's conservation goals.

Option #2

Do not authorize the General Manager to enter into a three-year agreement with We Are RALLY, LLC.

Fiscal Impact: It is clear that Southern California's imported water supplies face unprecedented challenges due to increasingly extreme and variable weather exacerbated by climate change. Without paid conservation messaging, Metropolitan would miss opportunities to promote water efficiency programs that support the state's Making Conservation a California Way of Life legislation, which plays a critical role in managing available storage supplies.

Business Analysis: A summer campaign will launch during hotter, drier weather when conservation is more top-of-mind. Staff would seek direction from the Board on whether to re-bid for media placement services.

Re-bidding services would take two to four months and would delay a strong media campaign beyond summer months when demands peak.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Metropolitan Water District's Administrative Code Section 4210: Water Conservation. 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.

Related Board Action(s)/Future Action(s)

None

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or 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. (State CEQA Guidelines Section 15378(b)(4).)

CEQA determination for Option #2:

None required

Details and Background

Background

With Southern California experiencing extreme and dynamic weather conditions, Metropolitan continues to expand its outreach to promote water conservation and rebates. Metropolitan is completing the third year of its current \$10.5 million three-year agreement with media agency GP Generate, LLC, which successfully leveraged Metropolitan's investment with highly visible multimedia advertising buys and generated an estimated 2 billion media impressions. This included cost-efficient multilingual media buys across various television, outdoor, digital and radio platforms. External Affairs staff designed assets and scripted messaging unique to non-English speaking communities. Using in-house capacity provided cost efficiency by absorbing all creative design costs and allowing the full \$3.5 million budget to be directed toward media buys, saving an estimated \$6 million over three years. The in-house capabilities also allowed staff to shift messaging quickly in response to evolving drought and supply conditions, which became paramount as the region experienced more unpredictable weather patterns beginning in the winter of 2022.

Media buy strategies reflected nuanced messaging approaches while prioritizing hard-to-reach audiences and underrepresented communities throughout Southern California. Creative assets were developed and made available in seven different languages. Staff coordinated with the agency to place the outdoor advertisements in communities where the languages were predominantly spoken, reaching millions of residents. The campaigns also successfully engaged with hundreds of thousands of new and diverse online audiences through social media influencer partnerships and mobile gaming advertising. A multilingual television commercial produced entirely in-house by External Affairs staff captured the intricacies of climate change's impacts on regional hydrologic conditions and served as a reminder to conserve rain or shine.

In total, the awareness-based campaigns garnered nearly 2 billion impressions and 1 million visits to bewaterwise.com. The final campaign phase focused on digital and social media platforms ended in May 2024.

Recent polling led by External Affairs and Probolsky Research shows a strong public commitment to water efficiency and that conservation remains paramount for Southern Californians amid a changing climate. The survey found that a majority of residents are committed to doing more to conserve water as the region grapples with the intensifying impacts of climate change and growing water reliability concerns. With a hotter, drier future forecasted, communicating about water conservation remains an essential public service and operational necessity. The flexibility afforded by staff's in-house capacities will allow Metropolitan to be flexible in messaging and maximize media buying strategies as water supply conditions continue to evolve. In preparation for future public outreach campaign buys, staff initiated a request for proposals seeking multimedia and multilingual advertising services for a new three-year agreement not to exceed \$10.5 million.

Water Conservation Advertising Budget

Funding for media placement services under this proposed agreement will come from current and future conservation program budgets since the advertising supports and helps facilitate the demand management program goals and objectives. Anticipated media platforms will include, but are not limited to television, radio, outdoor, print, Google search, and strategic advice, including research services. Funding not to exceed \$3.5 million for FY 2024/25 and FY 2025/26 will come from the Board-approved budget, and contract capacity will provide for expenditures not to exceed \$3.5 million for FY 2026/27, if needed and approved by the Board in the next biennium. Actual expenditures for conservation outreach in FY 2024/25 and FY 2025/26 would not exceed the Board's approved biennial budget and will be determined, in part, based on water supply conditions and board direction. A portion of this funding will also be used for strategic input and research related to campaign performance and reaching diverse audiences and underrepresented communities. Staff will continue to carefully manage budget resources and report to the Board on conservation expenditures.

This funding will purchase media to promote Metropolitan's water use efficiency goals and drive traffic to Metropolitan's bewaterwise.com® website, Metropolitan's primary online water-saving portal where consumers can find water-saving tips, education resources, member agency programs and access to Metropolitan's conservation rebates. Research activities include focus groups, surveys, polling, and pre-and post-campaign assessments to determine quantifiable measures of success. Staff will also expand partnership opportunities with other agencies and negotiate for added value to maximize the reach of advertising and outreach.

FISCAL YEAR	CONTRACT CAPACITY Media planning and placement, strategic input, research
FY 24/25 July 1, 2024 – June 30, 2025	Up to \$3.5 million
FY 25/26 July 1, 2025 – June 30, 2026	Up to \$3.5 million
FY 26/27 July 1, 2026 – June 30, 2027	Up to \$3.5 million
	\$10.5 million

Evaluation Process

Sixteen firms responded to RFP-EA-436884. The proposals were evaluated by a five-member internal selection committee consisting of External Affairs and Water Resource Management. The evaluation criteria included qualifications and staffing; record of past performance, technical approach and methodology; draft media plans; environmental sensitivity; planned outreach to underrepresented communities and audiences; and small business representation. The three firms that received the highest cumulative scores were invited to interview on March 14, 2024. RALLY received the highest cumulative score from the selection committee in the review and interview processes. Based on the comprehensive review, the committee recommends RALLY be awarded the contract.

Introduction to We Are RALLY

RALLY is a Los Angeles-based issue-driven communications firm established in 2013 with offices in San Francisco, Seattle and New York City. With 75 percent women and a predominantly diverse staff, RALLY is also committed to working through a lens of diversity, equity and inclusion that influences the types of tactics and creative approaches they employ. The firm has served over 500 clients to date, from large foundations to small community-based organizations and public agencies, all seeking to raise awareness and drive action around important social challenges.

As part of this proposal, RALLY has partnered with three Small Business Enterprise agencies –Wonnacott Strategies, Lunia Blue Graphics and Probolsky Research – to enhance and leverage the media buying capacities for the Metropolitan. Wonnacott Strategies has more than a decade of experience in California’s water industry. Since 2018, Wonnacott has worked with Metropolitan’s External Affairs Group on in-house paid social media campaigns, and in 2021, Wonnacott provided Metropolitan with media buying services for a \$1 million conservation campaign as drought conditions intensified throughout the region. Wonnacott also served as program manager for the state’s multi-million dollar Save Our Water campaign from 2014-2018, which involved close coordination with the Association of California Water Agencies and the California Department of Water Resources. Lunia Blue is a full-service creative agency that served as the lead creative and media buying team for the Save Our Water campaign from 2016-2018. The Lunia team has cultivated strong partnerships within outdoor, radio, television, print, and digital advertising sources across California and specializes in hyper-targeted media buying strategies. Probolsky Research is a woman and Latina-owned firm specializing in multilingual market and opinion research with more than 400 surveys and 60 focus groups conducted for California water agency clients. The Probolsky team has extensive research experience in water, water policy, conservation, advertising, and behavioral change campaigns and has served as strategic advisors to hundreds of local, county, and statewide government agencies.

RALLY’s submission also provides an extremely cost-conscious approach with unparalleled access to essential inventory in Southern California’s in-demand and highly saturated media market through a direct partnership with iHeartMedia’s extensive radio, outdoor and digital network. This includes a first-of-its-kind Black Information News Network and an iHeartLatino division dedicated entirely to the diverse communities they serve. This caliber of access to in-language and culturally relevant media inventory will help Metropolitan reach historically underserved communities where they are. Cost-consciousness is further demonstrated through the agency’s tiered commission structure for this agreement, which is below the industry standard of 15 percent.

External Affairs staff proposes to work with RALLY to negotiate for cost-effective, high-value multicultural paid campaign buys supported by in-house creative design and development. RALLY, along with its agency partners, will provide significant value-added benefits for Metropolitan given its access to the extensive iHeartMedia network and experience in the regional marketplace. The campaigns will continue to be executed in multiple languages with outreach to community-based organizations, collaboration with member agencies on customized campaign-related resources and materials, and high-visibility outreach activities throughout the region. Staff will regularly update the Board on campaign creative activities and media buys and will provide performance reports.


Next Steps

With board authorization, staff will finalize the agreement with We Are RALLY, LLC and begin preparing Metropolitan's summer 2024 campaign media plan.



Sue Sims
External Affairs Group Manager

6/6/2024
Date



Adel Hagekhalil
General Manager

6/6/2024
Date

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