



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

10/12/2021 Board Meeting

9-3

Subject

Update on expanded multimedia public awareness and outreach campaign for water conservation, including issuance of a request for proposals for a three-year contract for media buying services not to exceed \$10.5 million

Executive Summary

In preparation for potential severe drought conditions in 2022 and beyond and the need to maintain a high level of ongoing conservation messaging and marketing to Southern Californians, staff plans to expand and extend the current advertising and outreach campaign. To support this work, staff will initiate a request for proposals (RFP) for consulting services for strategic planning and media buy services beginning in early 2022 for a period of three years at a cost not to exceed a total of \$10.5 million to be paid from current and future funds from the conservation budget. Staff anticipates spending up to \$3.5 million of the total in the current fiscal year as part of the current conservation budget appropriation. Staff proposes that the remaining \$7 million be included in the next biennial budget (fiscal year 2022/23 and fiscal year 2023/24) for Conservation.

Details

In response to California's drought conditions, Governor Newsom's call for voluntary cuts to water use, and Metropolitan's August 2021 Water Supply Alert, staff developed and implemented a new multimedia and multilingual advertising and outreach campaign. The campaign launched in August with an initial media buy using \$510,000 of the External Affairs fiscal year (FY) 2021/22 board-approved advertising budget. Early results from the first month of the campaign showed 27 million impressions, driving 30,000 new visitors to bewaterwise.com. Traffic and weather radio advertisements were purchased on 42 English and Spanish-language stations, and 26 out-of-home billboards and transit shelter posters have been installed throughout the Southern California region. Grocery store print advertising placements are in Albertsons and Vons stores within disadvantaged community tracts, and Spanish-language print advertisements are featured in popular Latino grocery stores, including Superior and Cardenas.

In September, staff informed the Board of plans to use up to \$1 million from the Board-approved Conservation Credits budget to continue the campaign in the fall and winter. The campaign will reflect the need for increased conservation by Southern Californians and include additional social, digital, out-of-home, and radio advertising in general and ethnic media to reach diverse communities. The expanded budget also allows for high visibility television sponsorships, such as on-air programming with local broadcast networks and weather report advertising. The media strategy will also leverage more targeted advertising approaches in movie theaters, on gas pump screens, and in ethnic grocery stores. This phase of the campaign will begin in October and run through early 2022.

Due to the ongoing drought circumstances and the potential for continued or worsening conditions next year, staff is proposing to further extend and expand the current paid advertising and outreach campaign activities in 2022, including new efforts to increase multilingual messaging and outreach to underrepresented communities, and market current and potentially new conservation and rebate programs to the public.

To maximize Metropolitan's investment and reach, staff will initiate a RFP for consulting services to provide strategic advice and media buy services for a period of three years at a cost not to exceed \$10.5 million (\$3.5 million per year). The additional funding for this campaign and services will come from the conservation budget in the current fiscal year for the first \$3.5 million, and staff will include the balance in the next proposed biennial budget for the following two years. Contracting with a media agency with expertise in the Southern California media market will increase buying power by leveraging the combined spend of an outside agency to create better access and more efficiencies for Metropolitan's advertising dollars. Experienced media agencies have long-standing relationships with media vendors and can strategically negotiate, activate and optimize media buys, measure media effectiveness with real-time data and performance reporting, and provide tracking and third-party verification of advertising placements which will enable Metropolitan to closely monitor spending and expenditures.

In August, staff informed the Communications & Legislation Committee it would seek board authorization to initiate an RFP for these services. However, based on a review of the expenditures in the \$43 million conservation budget for FY 2021/22, the underspent conservation budget of the last fiscal year, and the conservation-related purpose of the campaign, staff has determined that the existing appropriation may be used for the campaign for the first year and staff will include the remainder of the proposal in the next proposed budget. At this time, staff is seeking board input into the process to ensure the RFP and staff's evaluation of proposals fully addresses the necessary scope of work, experience, and qualifications of firms to ensure both the efficiency and effectiveness of Metropolitan's conservation advertising and marketing campaigns.

Staff will return to the Board at the conclusion of the RFP solicitation, review, and evaluation process to seek board authorization for the selected agreement for a contract to provide media buying and placement services for a 2022-2024 water awareness and conservation advertising campaign.

Policy

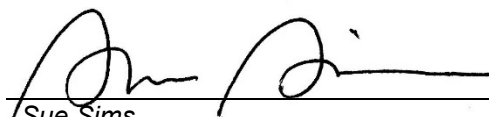
By Minute Item 51962, on April 14, 2020, the Board approved the current FYs 2020/21 and 2021/22 biennial budget, which includes a \$43 million annual appropriation for conservation and rates and charges based on an anticipated conservation expenditure of \$24 million.

By Minute Item 52116, on September 15, 2020, the Board approved various cost-containment measures to address COVID-19 financial impacts, including reducing spending on advertising for demand management programs.

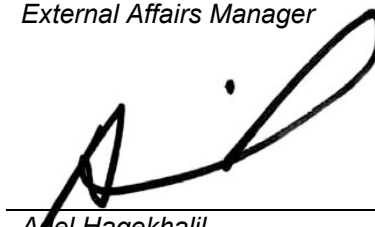
By Minute Item 52478, on August 17, 2021, the Board adopted a Condition 2 - Water Supply Alert, making a regional call for cities, counties, member agencies, and retail water agencies to implement extraordinary conservation through drought ordinances and other measures to mitigate the use of storage reserves.

Fiscal Impact

Up to \$3.5 million expenditure in current FY 2021/22 from the Board-approved conservation budget and staff will include \$7 million in the proposed conservation budget for FY 2022/23 and FY 2023/24 (continuance of contract in second and third years is dependent upon board approval of the biennial budget).



Sue Sims
External Affairs Manager
9/30/2021
Date



Adel Hagekhalil
General Manager
10/5/2021
Date

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