

November 5, 2010

Ms. Julie Smith
Manager
Office of Environmental Stewardship
1550 College Street, Building D
McKinney, Texas 75069

Subject: Letter Proposal/Scope of Work for Consulting Services for Water Conservation Education & Marketing for the Office of Environmental Stewardship, City of McKinney, Texas

Dear Ms. Smith,

CP&Y, Inc. (CP&Y) is pleased to submit this cost proposal to the City of McKinney (City) Office of Environmental Stewardship to provide consulting services for Water Conservation Education & Marketing. In the review and understanding of the scope of work, CP&Y will provide the following consulting services.

BACKGROUND OF CAMPAIGN

The primary goals of the Water Conservation Education & Marketing Strategy are to:

- Change behaviors that negatively impact the water supply.
- Encourage behaviors that conserve and use water more efficiently/wisely as well as conserve energy.
- Inform audiences about activities that – both positively and adversely – impact water and energy supply.
- Build a coalition of advocates comprised of business, corporations, schools, churches, neighborhood groups and like-minded groups.
- Build awareness through targeted messaging and grassroots.
- Establish public-partnerships within the business community.
- Develop synergy with North Texas Municipal Water District's (NTMWD) and other water conservation campaigns with collaboration of a regional creative message.
- Develop a focused marketing strategy.

2010 WORK PLAN

The 2010 Work Plan is based on budget of \$82,500 which has been allocated from the City of McKinney's Energy Efficiency & Conservation Block Grant (EECBG). The Work Plan may be modified per requirements of the City of McKinney. Whenever possible, Campaign activities (i.e. water conservation education and marketing strategy) will be coordinated with activities of other local and regional outreach programs. Activities will be evaluated on an ongoing basis, and changes made as required. The approach for the campaign is based on a community-based, social marketing principle.



Task 1: Campaign & Project Management

We will provide all technical and administrative services as needed for contract completion; monitor, supervise and review all work performed; and coordinate budgeting and scheduling to assure that the contract is completed within budget, on schedule, and in accordance with approved procedures and applicable regulations.

The Team will compile and submit monthly campaign activity reports, indicating the basis of their invoices, for all applicable tasks. Details will include measurable results of campaign activities and estimated added-value amounts. Mid-project and project-end reports will be developed to assist the City in evaluating the effectiveness of the implemented creative, media and outreach strategies.

The CP&Y Team will develop a marketing strategy, consistent with messaging developed for the campaign.

Task 1 DELIVERABLES:

- Monthly progress reports with timeline and schedule
- Ongoing communication with City staff
- Team meetings as needed (if you are referring to meeting with city staff, probably don't need to meet weekly)
- Submittal of invoices and deliverables, as defined by the tasks below
- Mid-project and project-end reports
- Monthly reports with invoice

TASK 2: Establishment of Baseline

To understand the efforts of this program and establish a baseline for the new campaign, The CP&Y Team will schedule kick-off meetings with City personnel to request the following information:

- GIS data related to residential, commercial and industrial water usage for past four (4) years;
- Water Conservation Master Plan;
- Water-related ordinances;
- Types and location of outreach/meetings, and “event” plan;
- List of private-public partnerships established with contact information;
- “Likes” and “dislikes” of regional campaigns;
- City ideas for enhancements for new campaign;
- City goals for new campaign; and
- Contact list for key personnel.

Some of this information will be used to identify (or verify) primary and secondary target audiences. GIS information will be compiled to determine high water usage per Elementary School boundaries as well as per parcel and household size. Residents using more than 25,000 gallons per month will be identified into cluster areas for grassroots targeting by the campaign. As per our cursory review of data and information, this approach will provide the City the greatest value for its allocated resources.

In addition to compiling and analyzing this information, a telephone survey and e-survey will be conducted to the target audience. Rather than investing a major portion of campaign resources to a baseline study, an alternative approach will be employed:

- A short quantitative survey will be developed and submitted to City for approval prior to conducting survey;
- Telephone Survey will assist in identifying attitudes and behaviors;
- Utilize focus group meetings in conjunction with the City's sustainable planning efforts;
- Test message lines will be used to determine the most effective message/reference line;
- Behavioral matrix will be given to determine behavior patterns and importance of water conservation and efficiency;
- Results will be tabulated, evaluated and reported; and
- Campaign creative and/or media strategies will be developed from the results of the initial focus group.

TASK 2 DELIVERABLES:

Deliverables shall include:

- Technical memorandum of GIS compiled information and appropriate maps of target areas
- Guidelines Telephone Survey
- One (1) Telephone Survey
- Behavioral matrix
- Compile, evaluate and report results of survey and input from public meetings
- Technical memorandum identifying primary and secondary target audiences with campaign strategy and work plan schedule
- Technical memorandum related to the energy-water nexus

TASK 3: Creative Development

The creative development process involves determining the factors that lead to behavior changes in the Campaign's target audiences. Taking into account the overall budget we will look to ramp up efforts at critical times during the year while keeping up coalition, grassroots and community outreach program(s) running year round (as per the marketing strategy).

As we analyze the data in conjunction with the City we will look to develop both primary and secondary targets and then build the proper programs under the scope of the project and the budget.

Primary target audience:

- Resident water usage > 25,000 gallons per month (emphasis on outdoor use)

Secondary target audiences:

- Schools
- Indoor water use
- Large Commercial users
- Large irrigation users

As in past efforts we will look to link the right message with potential target behavior. For example, a potential motivating factor for the primary target audience could be their children’s future, economic factors, and “doing the right thing”.

Secondary target audiences could be greatly diverse and therefore may have widely varying issues and motivations which we intend to explore and then target as well.

The Campaign will attempt to understand and answer the inherent questions that the target audiences will ask upon hearing our message(s):

- How or why does this impact me?
- What should I do?
- What difference will it make?

Campaign messages will seek to answer these questions; inform our target audiences and show benefits. Each of the messages will get their attention, be understandable, focused on an action or desired outcome, appeal to the audience’s values and concerns, demonstrate the relevance of their participation/action, and make it seem easy.

Messages and executions will be consistent with the currently developed North Texas Municipal Water District campaign ads, unless otherwise advised by the results of the baseline survey evaluation, and will include the energy-water nexus.

Final execution will be determined by media selections, the needs of partners and participating jurisdictions, and available budget, but may include:

- Print media (newspaper ads)
- Outdoor media (board posters)
- Radio (recorded messages, public service announcements)
- Collateral (electronic materials for grassroots distribution)

TASK 3 DELIVERABLES:

Final deliverables are contingent upon media plans and City agreement about the message focus for each campaign flight. Deliverables may include:

- New print creative.
- New radio ad creative.
- New outdoor/transit creative.
- New collateral creative

TASK 4: Media Advertising

As much as possible, media partnerships, schedules/flight plans and budget allocations will be determined during Task 2 (establishing baseline) results. In developing these plans, the CP&Y Team will work with the City to clearly identify and define the overall media goals and preferences and obtain their approval. The Team will allocate the media budget based on an analysis of target audiences and

the media's effectiveness in delivering reach, frequency and added-value to the campaign. We'll look to create an appropriate balance based on the goals and budget for the campaign.

Media Schedule

To develop the media plan, the CP&Y Team will determine the flight dates and weight of media for the flights. Schedules may be determined by the seasonality of the message(s) that may impact effectiveness of the campaign.

Schedules may also be influenced by partnership activities and relevant event considerations. To maximize partnership opportunities, a campaign message may be tagged with a relevant partner/partnership event announcement. This added-media value could be offered in trade for in-kind Program promotion at the events and in event marketing (co-sponsorship). A partnership and event calendar will be developed to aid in the media planning.

The CP&Y Team will present the recommended detailed media plan to City of McKinney for approval. The media plan will be revised as needed to meet or exceed approval. Upon approval of the media plan, the CP&Y Team will confirm schedules with the media and secure contracts, including written commitments of added value and promotions. All creative materials and traffic instructions/insertion orders will be distributed to the media.

Media Selection

Media will be evaluated for: its effective reach in the ADI (ratings), efficiency based on cost per point, reach & frequency to target audience(s), added value, and partnership opportunities. Media selection will be based on creating a desirable balance of reach and frequency, limited duplication in programming and formats for maximum reach, maximum impact weighing rating points and impressions, and adequate frequency to create impact. Selection will also consider effectiveness in delivery of the message, the messages the Campaign wants to deliver, partnerships and value-added media and promotions.

Task 4 DELIVERABLES:

- Media Recommendations
- Media Plan
- Traffic/Distribution to Media
- Billing/Reconciliation/Documentation
- Media Campaign Summary (Report)

Task 5: Coalition Development

The coalition effort will seek to leverage current relationships and extend the campaign's reach throughout the community with like-minded individuals and groups. Through focus groups and public meetings, the team will develop a stakeholders list including, but not limited to, key organizations, citizens, and businesses.

Event Planning/Participation

We will work with City to create an Event Plan for prioritizing events, determine the goals of the events (general or specific to the event), and determine who will represent the Program at key events. The available resources will be reviewed to determine the need for any outreach materials, exhibits or activities. In particular the Team will look for:

- Partner events
- Relevant holidays or observances (Earth Day, Arbor Day, etc.)
- Media schedules

Task 5 DELIVERABLES:

- Stakeholders list provided by client
- Ongoing contact with partners; work with existing partners and renew previous partners
- Development of creative partnership opportunities/scenarios

Task 6: Grassroots/ Public Relations

The Team will develop a plan for an aggressive community and neighborhood-based grassroots program to create an effective echo chamber in tandem with any and all paid media and coalition components. The program will look to build upon current successful programs as well as develop new year-round programs. We'll also look to have a presence at relevant community events as well as look to host such events where applicable.

A strong grassroots outreach program is enhanced by an effective public relations campaign. We will look to link the two together to amplify our message throughout the targeted area and community.

Media and Public Relations

Public and Press Relations will increase audience awareness and understanding of current events and activities that affect the water supply and infrastructure. Public relations can be proactive or reactive. Opportunities will present themselves by the actions of nature, politicians or local citizens. The CP&Y Team will communicate items of interest or potential relevance to the goals/messages of the Program to the media in case a timely reaction could be relevant news.

Other times, we will look to craft a relevant news story based on general conditions, planned or anticipated events, or current trends. PR can also be an important option to creating awareness of something specific that is not covered in the media plan/paid messages or in support of the Program's participation in a partner event.

Task 6 DELIVERABLES:

- Development of a Grassroots Plan
- Generate Earned Media
 - Comprehensive PR plan development
 - Identify and brief local voices for potential spokespeople

- Ongoing maintenance of press contact data
- Media tracking when applicable

Task 7: Development of Value-Added Resources

The media offers excellent value-added opportunities. The CP&Y Team will negotiate media buys and partnerships for added media exposure, requesting innovative partnerships and sponsorship opportunities with the media and their advertisers. When media proposals lack relevance or inspiration, the CP&Y Team will develop and propose concepts, beginning with additional media. Opportunities include but are not limited to:

- Contests to provide public awareness and incentive
- Public Service Announcements / donated airtime or space
- Sponsorships
- On-site Events
- Cross-promotions with other media clients and with the stations/publications
- Web links, etc.

The CP&Y Team will also explore new methods and channels of distribution for campaign messages, as well as activities or opportunities to encourage desired outcome from the audience, and reinforce the positive impact of that action.

Task 7 DELIVERABLES:

- Team will advise and work with the City to come up with deliverables.

Task 8: Development of a Marketing Strategy

Based on the information obtained in the previous tasks, the CP&Y will develop a marketing strategy to promote the messaging as well as target projected areas and types of high water consumption. The strategy will be projected to a 1-year and 5-year planning horizon. The strategy will include funding allocations for execution of recommended strategy as well as potential grant funding in Year 2011. In addition, reward/incentives, change agents (i.e. pilot programs), and other outreach strategy will be evaluated with recommendations provided in the marketing strategy.

Task 8 DELIVERABLES:

- Marketing Strategy

ESTIMATED FEE AND GENERAL PROVISIONS

CP&Y is proposing a time and material not to exceed an amount of \$82,500 to complete the services in accordance with Exhibit A – City of McKinney Water Conservation Education & Marketing Strategy Budget. CP&Y proposes to invoice the City of McKinney monthly on a time and material basis providing backup for reimbursable expenses upon request. The task line item amounts identified in Exhibit A may be adjusted without further authorization for the approved scope as long as the total amount of the approved contract amount remains unchanged.

CP&Y has partnered with The Wolf Group to assist in the completion of these tasks.

We want to thank you for the opportunity to work with the City of McKinney in developing the Water Conservation Education & Marketing Strategy, and look forward to working with you and your team. If you have any questions, do not hesitate to contact me.

Sincerely,



Freddie Guerra
Vice President

Attachments: Exhibit A – City of McKinney Water Conservation Education & Marketing Strategy Budget

AUTHORIZATION TO PROCEED:

By: _____

Date: _____

Title: _____