

REQUEST FOR PROPOSAL

FOR

ADVERTISING AND PUBLIC RELATIONS SERVICES

FOR

TRI-STATE LOTTO COMMISSION
THE NEW HAMPSHIRE LOTTERY

December 15, 2006

1.1 **Introduction:**

The RFP (Request of Proposals) is being issued to invite qualified bidders to submit a proposal for an advertising agency to provide integrated marketing services including but not limited to advertising, marketing, promotions, and web based advertising services as well as public relations services on an as needed basis for the Tri-State Lotto Commission/New Hampshire Lottery Commission. From this point forward, the Tri-State Lotto Commission/New Hampshire Lottery Commission will be referred to as the New Hampshire Lottery Commission or the Lottery.

1.2 **Contracting Officer:**

The Contracting Officer, acting on the lottery's behalf, is the sole point of contact in all matters relating to this RFP. All communications concerning this RFP must be addressed **in writing** via mail or facsimile to the Contracting Officer:

Maura McCann, Director of Marketing
The New Hampshire Lottery
14 Integra Dr.
Concord, NH 03301
Tel: (603) 271-3391
FAX: (603) 271-1160
Email: Maura.A.McCann@lottery.nh.gov

1.3 **Restrictions on Communications with New Hampshire Lottery Staff**

Other than the contracting officer listed above, bidders shall make **no unsolicited contact with any New Hampshire Lottery personnel**, or agency designee regarding this RFP. Prior to the award of a contract, bidders shall not represent themselves to lottery staff or lottery retailers as having the endorsement of the lottery. Bidders who are currently doing business with New Hampshire Lottery may continue to do so. However, any communication regarding this RFP is prohibited.

1.4 **Schedule of Events:**

The following dates are a schedule for informational and planning purposes. The New Hampshire Lottery reserves the right to change any of the dates. If changes are made, those potential Bidders receiving the original RFP will be contacted.

<u>Event</u>	<u>Date</u>
RFP Issued	December 15, 2006
Pre-Bidding Conference	January 9, 2007 at 11:30 AM
Bidder Proposals Due by 4:00 p.m.	February 7, 2007
Agency(s) selected for Oral Presentations	February 16, 2007
Oral Presentations	March 19, 2007 (Week of)

1.5 **Clarification Questions/Pre-Bidding Conference:**

A pre-bidders conference will be held on January 9, 2006 at New Hampshire Lottery headquarters for questions regarding this proposal. The length of the conference will be for approximately 1 hour from 11:30 AM to 12:30 PM. This is not a mandatory conference.

1.6 **Proposal Submission:**

In order to be considered for selection, sealed written proposals for furnishing all qualified personnel, facilities, materials and services to advertise and provide public relations for the New Hampshire Lottery Commission must be delivered to the New Hampshire Lottery by 4:00 p.m. local time February 7, 2007. The proposals will be date stamped by the New Hampshire Lottery Commission. Proposals should be clearly marked "Sealed Proposal to Provide Advertising and Public Relation Services to the New Hampshire Lottery Commission". Five copies of the proposal are requested. Items within each proposal that a bidder deems confidential shall be clearly marked in red as confidential. **No bidder requests for extension of time will be granted.**

1.7 **Late Proposals:**

Written proposals must be submitted and received by the New Hampshire Lottery Commission as of the time and date shown in Section 1.4 and 1.6 of the RFP. Failure to submit the proposal in a timely manner is grounds for rejection. The official date and time of receipt will be determined by the New Hampshire Lottery's date and time stamp. Late proposals, which are rejected, will be returned unopened to the agency.

1.8 **Oral Presentation:**

Upon reviewing the written presentations, qualified selected bidders will be required to make an oral presentation, not to exceed 1 hour. Those qualified selected bidders will be notified of the date and time of the oral presentation. See Part 9 for explanation of Oral Presentation.

1.9 **Contract Period:**

The contract to be awarded in accordance with this RFP will be for a three-year period with 1 two-year extension. Funding is expected to be, for the first year of this contract which is FY 08 at \$700,000. Funding beyond this year has not been approved. It is approved on a yearly basis. If the need arises for additional advertising dollars during a Fiscal Year, the request is made by the lottery to the Tri-State Lotto Commission for approval. Examples of requests for additional advertising dollars would be to launch/maintain a new Tri-State game, participate in game research, etc.

1.10 **Selection of Proposal(s):**

All proposals (written and oral) will be evaluated by the New Hampshire Lottery. The New Hampshire Lottery will determine qualified bidder(s). The decision as to whom is qualified; who will make an oral presentation and the intent to award the contract lie solely with the New Hampshire Lottery.

The New Hampshire Lottery reserves the right to reject any or all proposals or portions thereof, to advertise for new proposals, to arrange or receive or itself perform and obtain the advertising services, or to award in whole or in part a contract deemed to be in the best interests of the lottery.

Agencies who submit a proposal in response to the RFP but who are not awarded the contract will be notified in writing.

1.11 **Evaluation Criteria:**

The evaluation criteria is included as attachment E.

1.12 **Cost Liability:**

The State of New Hampshire assumes no responsibility or liability for costs incurred by the bidders in preparing or submitting their proposals or for samples included in their response to this RFP, or in making any requested oral presentation regarding this RFP. Any samples or any type of artwork submitted by the vendor will be returned upon request.

1.13 **Price and Fee Schedule:**

A standard price and fee schedule (Part 4, and 5) is included in this RFP that bidders must complete and attach to their proposals. The estimated budget for this contract will be \$700,000 for FY 08. Funding has not been approved beyond current year or FY 07. The New Hampshire Lottery requests the bidder to complete the outline found in section 7.1 as to how these funds will be utilized, including a budget breakdown showing the amount of television, radio, print, production and artwork proposed.

1.14 **Acceptance of Proposal Content:**

The contents of the proposal of the successful bidder will become part of any contract awarded as a result of this procurement process.

1.15 **Subcontracting:**

The Contractor is prohibited from subletting, conveying, assigning or otherwise disposing of any contract resulting from the RFP, its rights, title, or interest therein or its power to execute such agreement to any other company, corporation, or entity without the previous consent and written approval of the State. In the event the State approves the use of

subcontractors in performance of this contract, the prime contractor is not relieved of its responsibility and obligation to meet all the requirements of this RFP.

1.16 **Accounting Records:**

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with the generally accepted accounting principles and other procedures specified by the State of New Hampshire. Financial and accounting records shall be made available, upon request, to the New Hampshire Lottery, or its designees and the State of New Hampshire, at all times during the contract period and any extension thereof, and for three (3) years from the expiration date of this contract.

1.17 **Addenda to the Request for Proposal:**

In the event it becomes necessary to revise any portion of the RFP, addenda will be provided to all bidders who have requested the original RFP at least 15 days prior to the proposal deadline.

1.18 **Proposal Rejection:**

The New Hampshire Lottery reserves the right to reject any and all proposals in response to this RFP. Bidders whose proposals are not accepted will be notified in writing.

1.19 **Contract Continuity:**

Upon expiration of their contract, if the State or the vendor fail to accept or agree on a contract extension for an additional period, the vendor must agree to provide all services under the same terms and conditions of the then-in-force contract on a month-to-month basis for a period not to exceed four (4) months to enable a satisfactory replacement of a vendor.

1.20 **Contract(s):**

The New Hampshire Lottery Commission intends to negotiate with the successful bidder and that bidder shall be required to enter into negotiations for a contract with the New Hampshire Lottery. As noted in section 1.10, the successful bidder will be held to the terms of the contract but may be required to reduce costs depending upon aspects of the proposed program which may be determined by the lottery to be unnecessary.

Intent to award will be signified by the New Hampshire Lottery Commission signing a contract with the successful bidder, subject to administrative approvals by the requisite New Hampshire State offices. If negotiations fail with the aforementioned bidder, negotiations will commence with the next highest rated bid.

The New Hampshire Lottery intends to award two contracts. One contract will be for the New Hampshire Lottery Commission and the second contract will be for the Tri-State Lotto Commission/New Hampshire Lottery. Due to the efficiency of having one advertising agency and any potential cost saving measures, the selected agency will be awarded both contracts.

1.20.1 Estimates, Invoices and Payments:

Expenditures must be pre-approved by the Executive Director or designee with a written estimate provided by the agency prior to work beginning on a project. Payment shall be made by the New Hampshire Lottery within 30 days after receipt of an approved itemized invoice submitted by the Contractor upon the usual billing forms or business letterhead.

1.22 Media Commissions/Rebates/Agency Markup:

All media commissions/rebates related to advertising services received by the Contractor will be net to the New Hampshire Lottery. No agency markup on printing charges of Point-of-Sale materials or any other printed matter will be charged to the New Hampshire Lottery. The Contractor will take all available discounts (such as early payment of an invoice). Any price increase resulting from lost discounts will not be reimbursed by the New Hampshire Lottery.

1.23 Pricing:

All bidders shall provide the New Hampshire Lottery with one type of payment for services. A monthly retainer fee will be paid for agency personnel, subcontractors and other expenses listed in Parts 4 and 5 of this Request for Proposal. In addition to the monthly retainer fee described in Parts 4 and 5 of this Request for Proposal, the bidder will provide the lottery with a flat fee (see current budget) for creative, layout, mechanical and production services. Pricing which is deemed not compliant with this request will be grounds for rejecting a proposal.

1.24 On-line Collaboration Tools:

The New Hampshire Lottery strongly desires the agency to have the capability to conduct an on-line collaboration for advertising projects. For example: The Lottery would like the ability to view work in progress, status reports, etc. by going to the ad agency website or server which provides a secure area for review of such work. Or, the ad agency may conduct E-Business communication by way of e-mail and the sending of files for review. This would include progress reports, graphic files and more. Also included would be audio and/or video electronic files through a common media player such as Real Player or Windows Media Player. Graphic Files sent must be in PC format compatible with the State of New Hampshire. Use of management programs are encouraged. These programs would be Microsoft project, Instant Message programs, software project management solutions and other.

Further, it is the desire of the Lottery to have a test environment available to review projects prior to going live on the New Hampshire Lottery website, the Replay website and/or the Lottery Retail Site (a sub-site of the New Hampshire Lottery website).

1.25 **Request for Copies of Proposals:**

Copies of proposals will be provided upon written request for a reasonable fee after Governor and Executive Council contract approval. All information in a Vendor's proposal and any contract resulting from this RFP is subject to the provisions of New Hampshire's Right to Know Law.

1.26 **Ownership of Work(s)**

The State shall own all right, title and interest in and to any software, documentation, products, Point of Sale materials, advertising for television, radio, print, internet or other media, or deliverables which result from services rendered by Vendor to the State under this Contract ("Work(s)"). For all purposes of copyright law, the Work(s) shall be deemed works made for hire of the State and copyright shall belong solely to the State. If any Work(s) are determined by a court of competent jurisdiction or by the state to be not a work made for hire, Vendor agrees to assign, and hereby assigns, all copyright and other rights in such Work(s) to the State. Vendor shall, at no additional expense to the State, assist the State to obtain copyrights, trademarks, or patents for all such Work(s) in the United the States and any other countries. Vendor agrees to execute all papers and to give all facts necessary to secure United the States or foreign country copyrights and patents, and to transfer or cause to transfer to the State all the right, title and interest in and to such Work(s). Vendor represents and warrants that the Work(s) shall be free of any claim of any third person or entity based on patent or copyright infringement, trade secret misappropriation, or otherwise.

Part 2 – Specifications

2.1 Requirements for Advertising Services for the Lottery:

The successful bidder will be required to provide professional consulting and other services upon request of the New Hampshire Lottery. Such services may include but are not necessarily restricted to the following:

- 1) Creative Effort
- 2) Design
- 3) Production of Mechanicals/Artwork
- 4) Media Selection
- 5) Media Placement
- 6) Web based advertising

Vendors should demonstrate in their proposal, capabilities in each of the areas listed above. Specifically, successful bidder's services will be utilized in the following areas:

- 1) Point-of-Sale Brochures
- 2) Point-of-Sale Posters
- 3) Television and Radio Commercials
- 4) Newspaper Advertisements
- 5) Other Promotional Materials
- 6) Event Marketing such as but not limited to Retailer Grand Openings, Customer appreciation days.
- 7) Web based advertising and promotion

2.2 Requirements for Public Relation Services for the Lottery:

The successful bidder will be required, on an as needed basis, to provide public relations services. When Public Relation services are requested by the lottery and if time allows, the vendor will provide a cost estimate to be approved prior to work commencing. In some situations, time will not allow for this. These services may include, but are not necessarily restricted to, the following:

- 1) Improve and enhance the image of the New Hampshire Lottery with the general public.
- 2) Increase public awareness of the favorable aspects of the Lottery.
- 3) Provide human-interest stories of winners to the available media.
- 4) Provide support for all aspects of Press Conferences.
- 5) Provide press information on new games/promotions/products.
- 6) Have a good working relationship with various editors, reporters and program managers of the existing/new media throughout the State.
- 7) Ability to provide Crisis Management

Part 3 Bidder Instructions for Written Proposals

- 3.1 Bidders in their written proposals shall submit the following information.
- 3.1.1 Provide the Name, Address, Telephone Number, E-mail Address and FAX number of agency as well as Contact Person.
 - 3.1.2 Provide an Organizational Chart of the Agency including all account executives, creative, public relations, media department, accounting and all other personnel.
 - 3.1.3 Provide an Agency "Lottery Account" Organizational Chart which includes all personnel who will be involved with the account. Included with that document, provide a one-page resume of each individual listed within that chart. Note: the percentage of their time devoted to the New Hampshire Lottery should be indicated.
 - 3.1.4 Company name, address, telephone number and contact name of major clients. Include length of service to each client and a brief description of those services.
 - 3.1.5 Financial Data and Statements: Bidders must include in their written proposal a financial statement concerning their operations for the last two fiscal or calendar years. This statement shall include but not necessarily be limited to; statement of net assets and statement of revenues, expenses and changes in fund net assets prepared in accordance with generally accepted accounting principles. This financial statement must be unqualified and certified as to accuracy and full disclosure by a licensed certified public accountant. If you are unable to provide the above requested documents, please provide a statement indicating the reason for exclusion of this information.
 - 3.1.6 Provide a 5 (no more than 5 pages) page company background indicating the number of years the agency has been in existence. Describe in detail experience as related to advertising consumer products, including clients presently and/or previously under contract. Include one of your best advertising campaigns and the results in achieved. Briefly describe any contracts that were terminated and why. Internal facilities and skills available at the office from which the New Hampshire Lottery account would be serviced should be indicated.
 - 3.1.7 Provide the following samples of previous work for a single client noted in section 3.1.6. A minimum of 5 of the 7 samples listed below must be submitted. Of those 5 samples, specifically include radio, television, web based advertising and marketing plan.
 - a) Radio
 - b) Television
 - c) Print Advertising
 - d) Point-of-Sale Item

- e) Brochure
- f) Press Release
- g) Marketing Plan
- h) Web Advertising and promotion

3.1.8 Bidders shall complete Part 4 – FY '08 Proposed Budget.

3.1.9 Bidders shall complete Part 5 Agency Retainer Fee.

Part 4 Budget Outline

- 4.1 Provide an approximate Tri-State Lotto Commission/New Hampshire Lottery Budget Outline for the following Fiscal Year 2008. See attached Excel Spreadsheet to complete with your numbers.

Part 5 Budget and Explanation of Items

1. **AGENCY RETAINER FEE:** This fee (currently negotiated at 12% of FY 07 \$1,000,000 budget) covers contact, executive time, creative and media personnel, secretarial and accounting time.

It is the expectation of the lottery that the following people will be assigned to the Lottery Account under the Retainer Fee. If you have fewer employees expected to work on the account under the retainer fee or more employees expected to work on the account under the retainer fee, please adjust accordingly by name and title. Please complete the name, appropriate title and number of approximate hours worked per month by that individual for review by the lottery:

CLIENT SERVICES

Account Supervisor:_____

Approximate number of Hours per month:_____

Account Planner:_____

Approximate number of Hours per month:_____

Account Service Person:_____

Approximate number of Hours per month:_____

MEDIA

Media Supervisor:_____

Approximate number of Hours per month:_____

Assistant to Media Supervisor:_____

Approximate number of Hours per month:_____

CREATIVE

Senior Creative Director:_____

Approximate number of Hours per month:_____

Creative Director:_____

Approximate number of Hours per month:_____

Copywriter:_____

Approximate number of Hours per month:_____

ACCOUNTING:

Billing Supervisor:_____

Approximate number of Hours per month:_____

Accounting Staff:_____

Approximate number of Hours per month:_____

ADMINISTRATION:

Administrative Staff:_____

Approximate number of Hours per month:_____

The Agency Retainer Fee will cover the time spent by the above-stated people, as well as other administrative costs (including but not limited to secretarial, bookkeeping, budget preparation, media purchasing including monitoring and auditing services, etc.)

2. ADDITIONAL SERVICES:

Production costs for agency staff is currently set at a rate of \$20,000 per fiscal year. Please state the one time fee your agency will bill for the fiscal year: _____

3. PUBLIC RELATIONS SERVICES:

Public Relation services are currently outside of the retainer fee. If the need arises for Public Relation services, the lottery requests if time permits, a written estimate for approval prior to work commencing. It is understood that in some cases of urgency, time may not permit review/approval of a written estimate. See section 2.2 for clarification.

Currently a rate of \$75 per hour is paid. Please state the hourly rate for Public Relation Services:

Hourly Rate:_____

4. WEB BASED ADVERTISING/MARKETING/INTEGRATED PROGRAM

In addition to the monthly retainer fee for services noted above and additional services, the web based advertising and marketing program of Replay! is a large part of the lottery's advertising budget. Currently the following individuals are retained under the following hourly rate for these services. As part of your response, please provide your hourly rate of such positions:

Title of Position:	Hourly Rate	Your Proposed Hourly Rate
Integrated Marketing Director:	\$75 per hour	\$_____
Integrated Marketing Coordinator:	\$55 per hour	\$_____
Integrated Marketing Planner:	\$55 per hour	\$_____
Production Lead:	\$55 per hour	\$_____
Web Production Manager:	\$55 per hour	\$_____
Technical Lead:	\$75 per hour	\$_____
Programmer:	\$75 per hour	\$_____
Database Architect:	\$75 per hour	\$_____
Information Architect:	\$75 per hour	\$_____
Creative Lead:	\$75 per hour	\$_____
Web Designer:	\$75 per hour	\$_____
Content Developer:	\$75 per hour	\$_____

- 5. TRAVEL, LODGING AND MEALS:** Travel requests for meetings and conferences not included in the retainer fee shall be pre-approved in writing by the Executive Director of the New Hampshire Lottery or designee. Travel shall be subject to the same regulations imposed on State Employees. Travel requests, which are not pre-approved, shall not be reimbursed. The Retainer Fee covers the expense of travel to and from New Hampshire Lottery Commission Meetings.
- 6. PRODUCTION:** Production means the physical creation of advertising materials, as follows:
- Print Ads: involving layout, type specification, paste up, finished artwork or photography, type composition, phototype, photostats, printing plates and mats or negatives and proofs.
 - Point-of-Sale Materials: involving but not limited to layout, type specifications, paste up, finished artwork or photography, type composition, permanent signage, photostats, and printing.
 - Radio: involving script writing and direction, talent, studio costs, tape stock, reel and boxes supplied by subcontractors.
 - Television: involving script writing and direction, storyboards, talent, props, sets or location expenses, studios, photography or videotaping costs, release prints or videotapes.

All services except script writing, direction and storyboards may be provided by subcontractors.

- e. Web based advertising involving design, layout and copy.
- 7. **Change in Work:** The lottery may order changes in the work, the contract sum being adjusted accordingly. All such orders and adjustments shall be in writing. Claims by the Contractor for extra cost must be made in writing and signed by the Executive Director of the New Hampshire Lottery before executing the work involved.
- 8. **Access to Records:** The Contractor shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to cost incurred under the agreement and to make such materials available at their offices at all reasonable times during the period of this agreement and for three years from the date of the expiration of this agreement, for inspection by the New Hampshire Lottery or any authorized representative of the State of New Hampshire and copies shall be furnished, if requested.
- 9. **Termination:** The performance of work under the contract may be terminated by the New Hampshire Lottery in whole, or from time to time, in part whenever for any reason the Executive Director shall determine that such termination is in the best interest of the New Hampshire Lottery. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of the work under the contract is terminated and the date of which such termination becomes effective. The contract shall be equitably adjusted to compensate for such termination and the contract modified accordingly.

Part 6: Oral Presentation

As noted in section 1.8 of this Request for Proposal, upon reviewing written presentations, qualified selected bidders will be required to make an oral presentation, not to exceed 1 hour. Those qualified selected bidders will be notified of the date and time of the presentation.

The Oral Presentation will consist of the following but is not limited to:

The New Hampshire Lottery Commission would like you to provide to us with jackpot advertising for the lotto style games of Powerball, Megabucks and Hot Lotto. It is up to you as to the type of creative you would like to present. Your presentation may consist of a television commercial on a storyboard, a 10, 30 or 60 second radio spot and/or a Point-of-Sale piece for that our retailers may use in-house to advertise the up-to-date jackpot amounts for each Wednesday/Saturday drawing. You will present all creative. **(20 minutes suggested)**

In this package, the New Hampshire Lottery Commission has provided you with information about New Hampshire Lottery Replay promotion launched in June 2006. Currently the Replay program has approximately 70,000 members who are lottery players. Approximately 50,000 of those members we can communicate directly to via email. The emails advertise jackpot information, special ticket promotions and more. When the new contract is awarded in Spring of 2007 and the new contract begins on July 1, 2007, the Replay program will be more than 1 year old. Please review the site. During this part of the oral presentation please let us know what the next generation of this site would be and provide us with your thoughts and a timeline for implementation. **(20 minutes suggested)**

Lastly, the lottery would like you to present to us your ideas for an overall marketing plan for FY '08. This would include but is not limited to general plan for the advertising of instant games, New Hampshire Powerball, New Hampshire Hot Lotto, Corporate Advertising and Replay. At this time, you may also include the strengths of your agency and how you can best service us in the coming year. **(20 minutes suggested)**

At the end of the 1 hour period of time, 15 minutes will be provided for New Hampshire Lottery Personnel to ask questions.