



REQUEST FOR PROPOSAL

Marketing/Advertising Services For the Vermont Lottery Commission

March 28, 2012

REVISED DATE
Proposals Due: Monday June 4, 2012
1:00 PM

**NOTE: Sections 3.2, 3.6 and 5.0 have been amended since
the original posting.**

**Vermont Lottery Commission
1311 U.S. Route 302
Barre, Vermont 05641**

802-479-5686

1.0 Terms

- “State” refers to the Vermont Lottery Commission
- “Lottery” refers to the Vermont Lottery Commission
- “Tri-State” refers to the Maine, New Hampshire and Vermont Tri-State Lotto Commission
- “Vendor” refers to any the marketing/advertising service supplier eligible to submit a bid
- “Contractor” refers to the successful vendor

2.0 Purpose

- 2.1 The purpose of this request is to obtain proposals from qualified vendors to perform marketing/advertising/public relations services for the Vermont Lottery Commission. Services shall be performed for both the Vermont Lottery and Vermont’s portion of the Tri-State Lotto Commission. It is the Vermont Lottery Commission’s intent to employ one vendor for both entities.

3.0 Requirements for Submission

3.1 Statement of Prequalification Requirement. – State of Vermont CMO

All vendors on this project must be prequalified for marketing contracts in order to submit an eligible proposal and be considered for this work. Vendors who wish to become prequalified for marketing contracts may submit an application to the Chief Marketing Officer at any time. All requests for prequalification shall be submitted at least ten business days prior to a scheduled RFP closing date for which a vendor wishes to submit a bid. Information regarding prequalification can be found at www.cmo.vermont.gov.

3.2 The written proposal must be received no later than **June 4, 2012 at 1:00 PM Eastern Time by:**

Hadley Melendy, RFP Administrator, or her designee

Mailing Address:

Vermont Lottery Commission
1311 U.S. Route 302 – Suite 100
Barre, Vermont 05641

Physical Address:

Vermont Lottery Commission
1311 U.S. Route 302
Berlin, Vermont

Contact Information:

Address: Same as above
Phone: 802-476-0103

FAX: 802-479-4294

Email: hmelendy@vtlottery.com

Proposals must be shipped, mailed or delivered to the above Vermont Lottery address.

Proposals will not be accepted by email or fax.

Proposals received by the Vermont Lottery after the response time will not be considered and will be returned unopened. There will be a public opening of qualified proposals at 2:15 on June 4.

- 3.3 **Sole Contact.** The sole contact for the purpose of responding to this RFP is Hadley Melendy, or her designee. No direct contact or interaction is permitted between vendors and the Vermont Lottery Commissioners or other staff members regarding this RFP.
- 3.4 **Questions.** Questions regarding this RFP must be submitted in writing to Hadley Melendy or her designee. Questions will be accepted by US mail, email, fax or hand delivery to the contact information listed in subsection 3.1 until the end of business day (4:30 PM Eastern Time) **April 13, 2012**.
- 3.5 **Response to Questions.** All questions and answers shall be sent by email and US mail to agencies considering submitting a proposal (**see Attachment A**) no later than end of business day **April 20, 2012**.
- 3.6 **Intent to Submit Proposal.** The deadline for vendors to confirm their intention to submit a proposal is May 24, 2012. Vendors planning to submit a proposal must FAX, send by US mail or hand deliver the **Intent to Submit a Proposal (Attachment A)** for receipt by the Vermont Lottery by the end of business day, **May 24, 2012**, or they will be excluded from submitting a proposal.
- 3.7 **Written Proposal.** Written proposal must be at the Vermont Lottery Office in Berlin no later than 1:00 PM ET on June 4, 2012. The State reserves the right to make an extension if it so desires. Proposals must be shipped, mailed or delivered to the Vermont Lottery's Barre address (subsection 3.1). Proposals will not be accepted by email or fax Proposals received by the State after this time and date will not be considered and will be returned unopened.
- 3.8 **Vendor Responsibility.** It is the duty of the vendor to take all appropriate measures in order to obtain all information and instructions required by it to make its proposal conform to the requirements of this RFP. No vendor will be able to claim lack of information or instructions to support or justify its proposal or to avoid any obligation, condition or specification contained in this RFP or its proposal.
- 4.0 Cost of Preparation of Proposal**
- 4.1 All expenses incurred by the vendor in connection with the preparation or submission of its proposal including, but not limited to, equipment or machinery ordered in anticipation of the selection are the responsibility of the vendor and the State shall not incur any

obligation whatsoever toward the vendor whether the proposal is rejected, accepted or incorporated in whole or in part into a contract with the State. Any samples or any type of artwork submitted by the vendor will be returned upon request.

5.0 Financial Data and Statements

- 5.1 Agencies shall include in their written proposals an audited financial statement concerning their operations for the last two (2) fiscal or calendar years and an unaudited financial statement covering the interim period since the close of the most recent fiscal year. These statements shall include, but not be limited to, income statements and balance sheets prepared in accordance with generally accepted accounting principles.
- 5.2 If audited financial statements are not included with the written proposal, a brief statement indicating the reason for exclusion must be provided. In the event a vendor does not include audited financial statements, the vendor must provide adequate alternative information sufficient to demonstrate its financial capacity to perform the work identified in the RFP.

6.0 Proposal Acceptance or Rejection

- 6.1 The State reserves the right to make the determination as to which vendors have met the basic requirements of this RFP. The State reserves the right to accept or reject in whole or in part any or all proposals in response to this RFP and to negotiate in any manner necessary to serve the best interests of the State.
- 6.2 If negotiations are conducted, the State will negotiate individually with any vendor of its choice. Vendors will be strictly held to the terms and conditions submitted in their proposals, but may be required to reduce any costs which may be determined by the State to be unnecessary.
- 6.3 Vendors whose proposals are not accepted will be notified in writing.

7.0 Access to Public Records

- 7.1 Upon submission, vendors proposal becomes the property of the State of Vermont and thus its contents are subject to public inspection. Anything provided to the State, where in the opinion of the vendor , contains confidential or proprietary information or trade secrets must clearly be labeled as such. Further, upon request by the State, vendors must provide ample justification of why such materials should not be disclosed by the State and must bear any and all costs associated with non-disclosure. Failure to either pay all costs or to provide the necessary justification for non-disclosure will render any such claims of confidentiality, proprietary or trade secrets null and void.

8.0 Contract

- 8.1 As a result of this RFP, the vendor selected to perform Vermont Lottery and Vermont's portion of Tri-State marketing/advertising services shall hold two (2) separate contracts; one (1) contract shall concern Vermont Lottery specific games and the other contract shall concern Tri-State Lotto games sold in Vermont.
- 8.2 The aforesaid contracts shall be for a two (2) year period beginning **August 31, 2012** with the option of the State to renew for two (2) one (1) year extensions.
- 8.3 Contractor will send invoices to the State within 30 days of receiving bills from third parties, TV/Radio stations, and other all other service providers.
- 8.4 Contractor invoices shall be paid 30 calendar days after receipt of invoices.
- 8.5 The terms and conditions in this RFP will provide the basis for the contracts together with any further terms and conditions that arise through negotiations of the final contracts.
- 8.5 By submitting a proposal, vendor agrees to the terms and conditions in this RFP and the contract terms included with this RFP.
- 8.6 The State expressly reserves the right to negotiate any terms and conditions of the contracts. However, vendors are hereby put on notice that negotiations of terms in the contracts are at the option of the State. The entire relationship between the State and the contractor shall be governed by the laws of the State of Vermont.

9.0 Contract Award Criteria

- 9.1 Proposals will be evaluated based on the following:

- A. Price (25%)
- B. Creativity (20%)
- C. Media buying ability (15%)
- D. Financial stability (15%)
- E. Experience in providing marketing/advertising services (25%)

- 9.2 The award will be made to the vendor, who in the opinion of the State, best meets the specifications, terms and conditions of this RFP.

10.0 Selected Agencies

- 10.1 Based upon evaluation of written proposals, selected agencies may be asked to meet with the State to discuss their proposals.

11.0 Brief Description of the Vermont Lottery

- 11.1 The following are provided as attachments:

Intent to Submit a Proposal Form	Attachment A
The Lottery Commission History	Attachment B
Standard Contract Provision	Attachment C
Situation Background	Attachment D
Sales by Product (FY09 – FY11)	Attachment E
Vermont Lottery Advertising Guidelines	Attachment F
Performance based Measures, example	Attachment G

The FY11 Vermont Lottery Annual Report can be found at

www.vtlottery.com/about/reports.aspx

For electronic copies of the FY11 Media Plan and a recent Agent Newsletter, please contact Hadley Melendy at Hadley.melendy@state.vt.us

12.0 Scope of Services Requested

12.1 The Contractor will be expected to provide the following:

- A. An account manager responsible for oversight of all jobs, projects, marketing, and advertising efforts administered by the vendor. This manager will be the Lottery’s key contact person and will be required to meet with the Vermont Lottery’s director of marketing and sales at least once a month for at the Vermont Lottery office in Berlin or at an alternative location agreed upon by both.
- B. Assistance with the development of an annual Lottery Marketing Plan, including but not limited to, vendor recommendations for radio, television and print advertising levels and public relations efforts.
- C. Assistance with short term and long term strategic planning for product development, positioning and reaching sales goals.
- D. Development of creative for radio, print and television advertising.
- E. Production and placement of print, radio and television lottery advertising.
- F. Management of media schedule, media buys, media budget and media billing.
- G. Development and implementation of promotions.
- H. Communication and negotiation with potential advertising promotional partners.
- I. Assistance with sales projections and sales analysis and the impact of advertising on product sales.
- J. Advertising recommendations based on sales analysis and advertising efforts.
- K. Development of press releases and winner awareness initiatives, promoting the Lottery positively, including responsible gaming efforts.
- L. Initiate, develop and manage social media marketing strategies. Manage the day-to-day operations and messaging of The Lottery’s social media channels such as Facebook, Twitter, and YouTube; leveraging these channels to strengthen marketing campaigns; providing detailed analysis, monitoring, tracking and reporting on performance of these channels; researching industry best practices for existing and emerging trends in social media and making recommendations for application to marketing programs.

- M. Assistance with Instant Ticket concepts and designs.
- N. Planning, coordinating and/or implementation of research projects, including focus groups.
- O. Development and production of lottery indoor and outdoor signage, point-of-sale pieces, brochures, miscellaneous promotional items, jackpot signage, posters and agent and player communications.
- P. Recommendations for building awareness of Powerball and Megabucks jackpot levels, Instant Ticket top prizes and lottery products in general.
- Q. Careful and timely review of all vendor invoices prior to sending them to the Lottery, including correct coding.
- R. Minutes and status reports of vendor's related products.

12.3 The Contractor will be expected to keep the Lottery updated on all projects and media buys on a weekly basis.

12.4 The Lottery will provide contractor with product sales figures on a weekly basis.

12.5 Approximately six to eight times a year the Lottery may require that the contractor send the account manager or vendor representative to a Tri-State meeting or out-of-state Lottery related function.

13.0 Restrictions Against Disclosure

13.1 The Contractor agrees to keep the information related to the Lottery and all related agencies confidential. Other than the reports submitted to the Lottery, the Contractor agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so. Contractor will take reasonable measures as are necessary to restrict access to the information, while in the Contractor's possession, to those employees on his/her staff and the vendor who must have the information on a "need-to-know" basis, and (s)he agrees to immediately notify, in writing, the Lottery's Director in the event (s)he determines or has reason to suspect breach of this requirement.

14.0 Proposal Format

14.1 Vendors must arrange the contents of their proposal in the same form and sequence as this RFP. There must be an original and five (5) copies of the proposal. Each vendor should also include an electronic copy of the proposal on either a CD or flash drive. The proposal must include the following:

- A. Name, address, telephone, email address and FAX number of vendor and key contact person.
- B. An organizational chart of vendor's staff. Include account executives, creative, media (traditional and social), accounting and all other personnel.

- C. The vendor’s “Lottery account” organizational chart. Include all personnel on this chart who will be involved with the Lottery account, also provide a brief (1 page) resume of each.
- D. Company name, address, telephone number and contact name of at least three (3) major clients that can be contacted for reference (past or present). Include length of service to each and a brief summary of projects completed.
- E. No more than 5 page background which should include any specific experience or services available.
- F. No more than 3 page analysis of lottery sales for fiscal years 2009 – 2011. You may provide graphs or special analysis sheets that you might use to assist the Lottery. (This request is to help us understand your ability to assist us with sales analysis - this does not have to be an in-depth report)
- G. A list of any resources or facilities at your disposal for research purposes.
- H. The following samples of your previous work (no more than 2 per item):
 - 1. Radio
 - 2. Television
 - 3. Print
 - 4. Point-of-Sale Item
 - 5. Brochure
 - 6. Press Release
 - 7. Marketing Plan (You may black-out client if necessary)

15.0 Pricing

15.1 Vendor must submit one price for each of the two years of the contracts. The vendor’s fee must be all inclusive. Pricing must be provided in a separate, sealed envelope.

15.2 Proposed vendor’s fee must be submitted as a percentage of the fiscal year advertising budget. The selected vendor will be paid a mutually agreed upon percentage of advertising dollars actually spent (not budgeted) in that fiscal year. By submitting a proposal, vendor understands that the advertising budgets in subsection 15.3 are estimates and are subject to change and/or elimination with little or no advance warning.

15.3 Fiscal year 2013 and 2014 advertising budget estimates are:

Vermont Lottery Advertising	\$700,000 – \$740,000
Tri-State Advertising in Vermont	\$750,000 - \$800,000
<u>Total Advertising Budget</u>	<u>\$1,450,000 - \$1,540,000</u>

15.4 Use the following format for pricing this RFP:

	Fiscal Year 2013	Fiscal Year 2014
All-Inclusive Vendor Fee	_____ %	_____ %

Please also provide price quotations for services not included in section 12.0

16.0 Contractual Terms Desired by Vendors

16.1 Vendors shall specify any additional contractual terms not conflicting with those contained in this RFP that the vendor desires in the final formal contract.

16.2 Performance Based Contracting.

1. The contract awarded under this RFP will be a performance based contract, which will include adherence to specific performance structures by awarded contractor. (See attachment G)

17.0 Exceptions

17.1 Vendors shall specify any contractual terms or specifications that it cannot meet or for which it may wish to take exception.

18.0 Contract Termination

18.1 The State reserves the right to terminate contracts with contractor in whole or from time to time in part whenever for any reason the State shall determine that such termination is in the best interest of the State. Any such termination shall be effected by delivery to the Contractor of a notice of termination specifying the extent to which the termination becomes effective, and the date on which such termination becomes effective, which shall be no earlier than thirty (30) calendar days from the date of notice of termination. Contractor shall keep the Director or the Lottery fully informed as to all matters in this connection as specified in subsection 18.2 and act on his/her instructions, if any, but nothing herein shall require the Director of the Lottery to issue such instructions. In the event of termination in whole or in part or at the conclusion of the contracts, the Contractor agrees to cooperate fully with the State.

18.2 Upon termination in whole or in part or at the conclusion of the contracts, the Contractor agrees to provide the State with any and all billing and/or financial information (completed or being processed), creative work, files, data, releases, reports, marketing/advertising, media schedules, and all other related information.