

IOWA LOTTERY AUTHORITY



RFP IL 23-02

***REQUEST FOR PROPOSALS
MEDIA PLANNING & BUYING SERVICES
April 5, 2023***

RFP COVER SHEET
Administrative Information:

TITLE OF RFP:	Media Planning and Buying Services	RFP Number:	IL 23-02
Agency:	Iowa Lottery		
Lottery seeks to purchase:	Media Planning and Buying Services	Available to Political Subdivisions?	Yes
Number of mos. or yrs. of the initial term of the contract:	Two (2) Years	Number of possible annual extensions:	Four (4) years
Issuing Officer:			
Terry Brown			
Fax: 515-281-3182 E-Mail: tdbrown@ialottery.com			
Mailing Address: Iowa Lottery 13001 University Avenue Clive, IA 50325			
PROCUREMENT TIMETABLE—Event or Action:			Date/Time (Central Time):
Lottery Posts Notice of RFP on TSB website			April 6, 2023
Mandatory Vendor Briefing			10:30 a.m. – April 18, 2023
RFP written questions, requests for clarification, and suggested changes from Contractors due:			April 28, 2023 3:00 p.m.
Lottery's written response to RFP questions, requests for clarifications and suggested changes due:			May 12, 2023 4:00 p.m. or earlier
Deadline for Submission of Proposals			May 19, 2023 3:00 p.m.
Proposal Opening			May 22, 2023
Finalists Designated			June 2, 2023
Agency Presentation/Site Visits			June 12 - 16, 2023
Anticipated Date to issue Notice of Intent to Award:			On or before June 29, 2023
Anticipated Date to execute contract:			On or before July 31, 2023
Relevant Websites:	Web-address:		
Internet website where Addenda to this RFP will be posted:	http://bidopportunities.iowa.gov/ and www.ialottery.com		
Number of Copies of Proposals Required to be Submitted:			1 original plus 4 photocopies and 1 electronic copy
Firm Proposal Terms Per Section 1.13, the minimum Number of Days following the deadline for submitting proposals that the Contractor guarantees all proposal terms, including price, will remain firm:			180 Days

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1 General Information Regarding the Request for Proposals (RFP) and Vendor's Proposal

1.1 Terminology

RESPONSE NOTE: None

Each numbered section and subsection in the RFP is immediately followed by a RFP standard compliance note as follows:

The following definitions apply for the note marked "Response Note":

NONE

The section or subsection does not require any response at all.

ACCEPTANCE

The section or subsection contains information the Vendor accepts as a condition of Proposal submittal. The Vendor shall indicate any deviations or non-acceptance.

FULL

The section or subsection requires the Vendor to provide a full and dedicated response, including all information required to allow the Lottery to judge the Vendor's compliance with the requirement.

1.2 Introduction

RESPONSE NOTE: Mandatory Vendor Acceptance

The Iowa Lottery (hereinafter referred to as the "Lottery") is issuing this Request for Proposal (RFP) to invite interested Vendors to submit Proposals for media planning and buying services for the Lottery. It is suggested that agencies read this RFP in its entirety to better understand the bid process, as well as the scope of services and capabilities the Lottery is seeking in an agency or agencies and the requirements an agency must adhere to. The information required to be submitted with a Proposal is outlined in Section 1.12.

A Vendor submitting a response to this RFP must have the capability to perform the functions as described in the Scope of Services found as Appendix B.

The Vendor(s) selected as a result of this RFP must be able to work remotely via video conferencing and/or in person with the Iowa Lottery. It is preferred, but not required, that the selected vendor have a physical presence near Iowa Lottery Headquarters in Clive, Iowa to facilitate meetings as needed.

The contract for services that will result from this RFP will be for a two-year period from July 1, 2023 through June 30, 2025, with options to extend the Agreement for up to four (4) additional one-year periods with the option periods being exercised at the sole discretion of the Lottery.

Issuance of this RFP does not obligate the Lottery to complete the project and the Lottery reserves the right to cancel this RFP if it is considered in its best interest.

1.3 Lottery and RFP Objectives

RESPONSE NOTE: None

The Lottery's objective for issuing this RFP and entering into a subsequent Contract is to have a qualified advertising agency or agencies assist the Lottery in its brand building and strategic marketing efforts. This RFP invites interested Vendors to submit qualifications to provide services as set forth in this RFP.

1.4 Glossary of Terms

RESPONSE NOTE: Mandatory Vendor Acceptance

TERM	DEFINITION
Contract(s)	The written agreement resulting from the successful Proposal and subsequent negotiations which incorporates all elements set forth in Section 3.3 of this RFP.
Contractor(s)	The Successful Vendor or Vendors with whom the Lottery executes a Contract pursuant to this RFP. Once the Lottery and any Successful Vendor sign the Contract, the Successful Vendor becomes a Contractor.
Finalist	Selected Vendors invited to continue in the RFP process as notified on June 2.
Lottery Fiscal Year	The Lottery's fiscal year begins July 1 and ends June 30.
Letter of Transmittal	A written notification from a Vendor to the Lottery that accompanies each Proposal submission in response to the RFP published by the Lottery.
Lottery	The Iowa Lottery Authority also referred to in the RFP as the "Lottery".
Lottery CEO	The chief executive of the Lottery, or an employee authorized to act on behalf of the chief executive of the Lottery. Also referred to as the "CEO".
Lottery Headquarters	The Lottery's main office is currently located at 13001 University Avenue, Clive, Iowa.
Party, Parties	The Lottery and the Successful Vendor or Contractor, each being a Party. Jointly referred to as Parties.
Person	An individual, partnership, legal entity, business or enterprise, authorized to do business in the state of Iowa.
Proposal	All materials submitted by a Vendor in response to the RFP 23-02, together with all addenda, clarifications and demonstrations.
Proposal Clarification	To resolve ambiguities and improve the understanding regarding an individual Vendor's Proposal. The responses of individual Vendors to Lottery requests for clarification are considered part of the deliberative process of clarifying the offerings in a Proposal.
Responsible Vendor	A Vendor judged by the Lottery to have the capability in all respects to perform fully the Contract requirements and to have the integrity, security, reliability, and financial condition that will ensure good faith performance.
Responsive Proposal	Timely and conforming in all material aspects to the stipulations of the RFP.
RFP	References this Request for Proposal document, including any subsequent appendices and addenda.
State	The State of Iowa and its departments, authorities, boards and commissions, officers, employees, and agents.
Subcontractor	Person(s) to whom the Vendor entrusts a portion of the execution of the Contract.
Successful Vendor	The Vendor to whom the Lottery issues a notice of intent to award a Contract pursuant to this RFP, subject to further negotiation and Contract execution.
Vendor	Any entity that may wish to respond or has responded to the RFP up to the point in time when the Lottery announces the Contract(s) award. The entity can be a consortium, a joint venture, a company or other organization.

1.5 Schedule

RESPONSE NOTE: Mandatory Vendor Acceptance

The following are the milestones and significant dates for the RFP 23-02, Proposal and Contract award. Specified dates that have a time associated with them are CST.

Event	Date
RFP Publication	April 6, 2023
Mandatory Vendor Briefing	10:30 a.m. – April 18, 2023
Vendor's Written Questions	3:00 p.m. – April 28, 2023
Lottery's Written Responses	4:00 p.m. – May 12, 2023, or earlier
Deadline for Submission of Proposals	3:00 p.m. – May 19, 2023
Proposal Opening	May 22, 2023
Finalists Designated	June 2, 2023
Agency Presentation/Site visits	June 12 - 16, 2023
Anticipated Date to issue Notice of Intent to Award	On or before June 29, 2023
Anticipated Date to execute Contract	On or before July 31, 2023

1.6 Exclusive and Sole Point of Contact

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery's Bid Coordinator identified below, acting on the Lottery's behalf, is the exclusive and sole point of contact with respect to all contractual matters relating to the procurement of the products and/or services described in this RFP 23-02.

All communications concerning this RFP 23-02 including, but not limited to, submission of questions, requesting copies of amendments or answers and submission of a Proposal must be addressed only to the Bid Coordinator at the address identified in this section.

Name: Terry Brown
Title: Bid Coordinator
Fax: 515-281-3182
E-mail: tdbrown@ialottery.com
Mail/Delivery Address: 13001 University Avenue, Clive IA 50325

1.7 Official RFP Website

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery's official procurement website with respect to this RFP 23-02 is www.ialottery.com ("For Vendors" link found at the top right corner). This website is the only valid source of information concerning this procurement process. An electronic copy of the text of this RFP and general information are available on the website. It is the responsibility of a Vendor to ensure that they have received and taken into consideration all information provided on this website.

1.8 Vendor Contact with the Lottery

RESPONSE NOTE: Mandatory Vendor Acceptance

Upon RFP publication, the restrictions on Vendor communications described in this section are instituted to protect the integrity of the procurement process. Other than the Bid Coordinator identified in Section 1.6, a Vendor and its agents shall not make unsolicited contact with any Lottery personnel or public official of the State regarding the RFP. All communications (with the exception of the Proposal) concerning this procurement must be addressed in writing and submitted via e-mail to the RFP Coordinator. A Vendor shall

not represent themselves to Lottery staff or Lottery Retailers as having the endorsement of the Lottery. A Vendor who is currently doing business with the Lottery may continue to do so; however, any communication regarding the RFP, not otherwise explicitly permitted in the RFP, is prohibited. The Lottery may disqualify a Vendor for any attempted or actual violations of this section.

1.9 RFP Clarification Questions

RESPONSE NOTE: Mandatory Vendor Acceptance

It is the responsibility of each Vendor to examine the entire RFP and seek clarification in writing. The RFP clarification procedure provides the only means by which a Vendor may request clarification of the RFP or additional information on the business, contractual, procedural and technical requirements of the procurement. The Lottery will conduct one (1) round of Clarification Questions to assure Vendors are clear on the RFP terms, conditions and requirements and Proposal evaluation processes. The Vendor should review Section 1.5 to determine the milestones and dates for submitting written questions.

1.9.1 Submission of RFP Clarification Questions

RESPONSE NOTE: Mandatory Vendor Acceptance

Vendors must submit written questions regarding the RFP to the Bid Coordinator identified in Section 1.6. Written questions relevant to the RFP 23-02 must be submitted via email in PDF or Microsoft Word formats. An RFP clarification question from a Vendor must:

- Be written in generic (i.e., non-proprietary) terms in as much as all responses to inquiries will be available to all Vendors.
- Not contain price data;
- Cite a specific RFP section number and title (if any).

SPECIAL NOTE: The Lottery reserves the right to reject a Vendor's Proposal for the Vendor's inclusion of pricing information in a clarification question.

1.9.2 Response to RFP Clarification Questions

RESPONSE NOTE: None

The Lottery will attempt to respond to written questions by the dates specified in Section 1.5. An electronic copy of all written questions, together with the Lottery's written responses, will be posted on the Lottery's Official RFP Website.

All questions and answers will be formalized as addenda to the RFP in accordance with Section 1.11.

1.10 Mandatory Vendor Briefing

RESPONSE NOTE: Mandatory - Full

A Vendor briefing will be held for all Vendors interested in participating in this RFP 23-02 process. The Vendor briefing will be held at 10:30 a.m. at the Lottery office located at 13001 University Avenue in Clive, Iowa on Friday April 18, 2023. A Vendor representative **must** be in attendance at this briefing. Virtual attendance will be permitted if in-person is not feasible. If a Vendor representative fails to participate, the Vendor's Proposal will not be considered for evaluation.

1.11 Addenda to the RFP

RESPONSE NOTE: Vendor Acceptance

Addenda to the RFP will be issued and may include but are not limited to:

- Make changes to the requirements of the RFP.
- Correct defects or ambiguities in the RFP.
- Change the date, place or time of critical milestones published in the RFP.

Addenda to the RFP will be clearly identified as such. Only modifications made as written and posted addenda to the RFP by the Bid Coordinator and in accordance with Section 1.9 will be valid and applicable addenda to this RFP. All addenda to this RFP will be uniquely identified and posted to the website specified in Section 1.7. The Vendor is solely responsible for obtaining all relevant information posted on the website and, by responding to this RFP, will be considered to have obtained all such posted addenda.

1.12 Responsive Proposal Submission Criteria

RESPONSE NOTE: Mandatory Vendor Acceptance

This section of the RFP contains the instructions for responding to the RFP and the requirements for information that must be included in the Vendor's Proposal. A Proposal submitted in response to this RFP is expected to provide the Lottery with the necessary information required by the RFP 23-02. A Proposal must be fully responsive to the requirements stated in the RFP 23-02.

A submitted Proposal must include:

- a. Letter of Transmittal – see Section 1.14.
- b. Response to Vendor Corporate Information – see Section 4.
- c. Vendor's Certification Form – see Appendix A.

Proposals must:

- Be submitted on standard size (8½"x 11") white paper.
- Allow a minimum of 20mm (¾") margins on all sides.
- Use a font type no smaller than 11 point.
- All pages of the Proposal must be numbered.
- Be clearly marked with the Vendor's name and address.
- Be specifically addressed to the Bid Coordinator at the location provided in Section 1.13.1.
- Be sent to and received by the Bid Coordinator (or authorized representative) by the time and date specified in Section 1.5.

Vendors must submit one (1) original of each Proposal. The original of each Proposal must be signed in ink by an officer or agent of the Vendor with authority to contractually bind the Vendor. In addition, one (1) copy of the original Proposal must be submitted on a SMALL PORTABLE STORAGE DEVICE using a Microsoft Word or PDF file and included with the "original" document only (not the additional copies). In addition to the aforementioned copies, one (1) additional copy on SMALL PORTABLE STORAGE DEVICE must be submitted as a Public Viewing copy with all confidential information redacted, if applicable (refer to Section 1.17).

SPECIAL NOTE: Proposals transmitted via fax and e-mail transmissions will not be accepted.

Based on the review by the Evaluation Committee, Vendors may be selected as a Finalist and subject to further review by the Evaluation Committee. Each Finalist will be notified by the Lottery within the timeframes set forth in this RFP.

Each Finalist will be required to submit case studies and samples of work. Each Finalist shall further make an oral presentation and submit a pricing Proposal to the Lottery. Where feasible,

the Lottery will also conduct a site visit of each Finalist. The Evaluation Committee will evaluate the Vendor's written case studies and samples of work, oral presentation and site visit. All technical scores from the Evaluation Committee will then be added to the pricing evaluation scores to yield the Finalist's total score for the RFP.

Phase 2 Technical Proposal must include:

- a. Letter of Transmittal – see Section 1.14.
- b. Pricing - see Section 5
- c. Case Studies and Samples of Work– See Appendix G.

1.13 Proposal Submission

1.13.1 Delivery Location and Process

RESPONSE NOTE: Mandatory Vendor Acceptance

The Proposal submission must be delivered to the following address no later than the date and time specified in Section 1.5:

Iowa Lottery
Attn: Terry Brown, Bid Coordinator
13001 University Avenue
Clive, IA 50325-8225

SPECIAL NOTE: Proposals transmitted via fax and e-mail transmissions will not be accepted.

1.13.2 Late Proposals Submissions

RESPONSE NOTE: Mandatory Vendor Acceptance

A Proposal submitted pursuant to this RFP 23-02 must be submitted and received by the Bid Coordinator no later than the published date and time specified in Section 1.5 (Schedule). The Lottery will record the official date and time of receipt on each Proposal. The Lottery will reject a Proposal that is not submitted by the specified date and time. The Lottery will return a late Proposal that has been rejected to the Vendor unopened.

1.13.3 Language

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor must submit their Proposals in English. The Contract will be written in English.

1.13.4 Pricing Information

RESPONSE NOTE: Vendor Acceptance

The Vendor must provide pricing information as outlined in Section 5 of the RFP.

1.14 Letters of Transmittal

RESPONSE NOTE: Mandatory - Full

A Vendor submitting a Proposal in response to the RFP 23-02 must submit a Letter of Transmittal. Each separate Letter of Transmittal must be signed by an officer or agent of the Vendor with authority to contractually bind the Vendor to the terms and offerings in the Proposal. Pricing information must not appear in any portion of any Letter of Transmittal. Each Letter of Transmittal must include any requests for confidential treatment of information identified in Section 1.17 and a clear Vendor's statement of

compliance, exceptions or reasons for non-compliances with the requirements of the RFP 23-02 for the duration of the acceptance period identified in Section 1.26.

1.15 Proposal Bond

No Proposal Bond will be required.

1.16 Litigation Bond

No Litigation Bond will be required.

1.17 Public Records and Request for Confidentiality

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor's Proposal shall be considered an open record after a contract is executed or all Proposals are rejected. The Vendor shall not submit the entire Proposal as proprietary or confidential, but may submit a part of the Proposal as confidential subject to Iowa Code chapter 22 and 531 Iowa Administrative Code section 1.5. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a Proposal. A copy of the Iowa Code and Iowa Administrative Code can be found on the State of Iowa's web page, legis.iowa.gov, and located under the topic Iowa Law and Rules. All information submitted by a Vendor may be treated as public information by the Lottery unless the Vendor properly requests that information be treated as confidential at the time of submitting the Proposal. By submitting a Proposal, the Vendor grants the Lottery the right to make the required copies of the Proposal.

Any request for confidential treatment of specific information must be included in the transmittal letter with the Vendor's Proposal and must enumerate the specific grounds in Iowa Code chapter 22 which support treatment of the material as confidential and must indicate why disclosure is not in the best interest of the public. Pricing information cannot be considered confidential information. The request must also include the name, address, email and telephone number of the person authorized by the Vendor to respond to any inquiries by the Lottery concerning the purported confidential status of the materials.

Any Bid Proposal submitted which contains specific confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. In addition to marking the confidential information in the body of the response, any page that contains confidential information will be noted as such in either the page header or page footer. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the Proposal submitted, as well as the original Proposal, must be marked in this manner. Failure to properly identify specific confidential information shall waive any claim to confidentiality the Vendor may ever claim to have had. Failure to properly identify specific confidential information in this manner shall further relieve the Lottery or State personnel from any responsibility if confidential information is viewed by the public, a competitor, or is in any way released. Identification of the entire Bid Proposal as confidential may be deemed non-responsive and disqualify the Vendor from further participation in this RFP.

If the Vendor designates any portion of the RFP 18-02 as confidential, the Vendor must submit one copy of the Bid Proposal plus one (1) on SMALL PORTABLE STORAGE DEVICE both marked "Public Copy" from which the confidential information has been excised. These copies are in addition to the number of copies requested in Section 1.13. The confidential material must be exercised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible.

If the Lottery receives a request for information marked confidential, written notice shall be given to the Vendor prior to the release of the information to allow the Vendor to seek injunctive relief pursuant to Section 22.8 of the Iowa Code. The Lottery will disclose the information marked confidential upon request unless a court of competent jurisdiction determines the information is confidential under Iowa Code Chapter 22 or other applicable law.

The Vendor's failure to request confidential treatment of material will be deemed by the Lottery as a waiver of any right to confidentiality the Vendor may have had.

1.18 Property of the Lottery

RESPONSE NOTE: Mandatory Vendor Acceptance

All matters set forth in a Vendor's Proposal including, without limitation, technical and financial information are subject to Iowa Code Chapter 22 and 99G and may be subject to disclosure after Contract award. All submitted Proposals will become the property of the Lottery upon receipt and will be returned only at the option of the Lottery. The Lottery reserves the right to use any and all information contained in a Proposal to the extent permitted by law.

1.19 Incurred Costs Associated with the Proposal Submission

RESPONSE NOTE: Mandatory Vendor Acceptance

Neither the Lottery nor the State will be liable for any of the Vendor's costs associated with submission of a Proposal in response to this RFP.

1.20 Proposal Content and Format

RESPONSE NOTE: Mandatory Vendor Acceptance

A Proposal must be fully responsive to the requirements stated in this RFP 23-02. Each Proposal must be submitted in the format described in Section 1.12.

1.21 Response to Proposal and Price Requirements

RESPONSE NOTE: Mandatory Vendor Acceptance

A Vendor must provide the Lottery with information, evidence, and documentation in a manner that will enable the Lottery to award a Contract(s) that best serves the objectives of the Lottery as stated in Section 2.2.2.

A Vendor must prepare its Proposal providing a straightforward and detailed description of their ability to satisfy the requirements of this RFP 23-02. Emphasis in each Proposal must be on completeness and clarity of content. The Technical Proposal must provide all of the information concerning the particular subject area that the Vendor believes would be helpful to the Lottery in determining its ability to meet the specifications or perform the requirements.

At a minimum, Proposals must be fully responsive to the requirements stated in this RFP 23-02. Proposals must be submitted in the format described in Section 1.12.

The Proposal must be complete. The Lottery will reject a Proposal submitted that does not provide all of the mandatory information requested.

The Lottery reserves the right to award a lower evaluation score or reject a Proposal for failure by a Vendor to provide the appropriate information or materials in response to each stated requirement for information.

1.22 Proposal Opening

RESPONSE NOTE: None

The Lottery will open each Proposal received by the deadline stated in Section 1.5 at Lottery headquarters on the date set out in Section 1.5.

1.23 Proposal Clarification Process

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may request clarification from a Vendor for the purpose of resolving ambiguities or questioning information presented in a Proposal. The Lottery may request written clarification on statements made by a Vendor in its Proposal at any point during the evaluation process.

The Vendor must send a response within the time indicated in the written request. If this proves to be unfeasible, the Lottery and the Vendor may agree on a different date for the Vendor to respond to the Lottery's request for clarification.

The Vendor's response:

- Must address only the information requested.
- Must be submitted to the Bid Coordinator in writing via e-mail.
- May also be submitted to the Bid Coordinator by mail, courier or hand-delivered as directed.
- Must not include any pricing information unless the request for clarification explicitly requests it.

The Vendor must keep confidential all information that is exchanged as part of the Proposal clarification process.

The clarification process does not permit withdrawal, revision or additions to the technical elements of the Proposal after the Proposal has been submitted, nor does it permit any change to the financial terms quoted. A clarification request by the Lottery is not a negotiation.

1.24 Modification/Withdrawal of a Proposal

RESPONSE NOTE: Mandatory Vendor Acceptance

A Vendor may modify or withdraw a Proposal when the request to modify or withdraw such Proposal is made in writing or e-mailed to the Bid Coordinator and such notice is received prior to the deadline for submitting a Proposal specified in Section 1.5.

The Lottery will not consider verbal telephone requests to modify or withdraw a Proposal.

After the deadline for submitting a Proposal, the Vendor may not modify a Proposal except to the extent of a Vendor's response to a request for clarification pursuant to Section 1.24.

1.25 Acceptance Period

RESPONSE NOTE: Mandatory Vendor Acceptance

Proposals must remain valid for six (6) months following the Deadline for Submission of Proposal identified in Section 1.5 (Schedule). The Lottery will reject a Vendor's Proposal that is not valid for the duration of the acceptance period. The Vendor will be strictly held to the terms in its Proposal. The contents of the RFP and the Vendor's Proposal, subject to contract negotiations, will become contractual obligations in the event of Contract award. The Lottery may cancel a Contract award for failure of the Successful Vendor to accept these obligations.

1.26 Disclosure Prohibition

RESPONSE NOTE: Mandatory Vendor Acceptance

Information provided in a Proposal Submission must be held in confidence by the Vendor and must not be

revealed or discussed with any parties except as required by law. The Lottery may disqualify a Proposal if the Lottery learns any disclosure except as required by law has occurred.

The Lottery will ensure a Proposal remains confidential in accordance with Iowa Code 72.3 until the procurement process under this RFP is formally concluded by the Lottery.

1.27 Material/Non-Material Deviations

RESPONSE NOTE: Mandatory Vendor Acceptance

A Vendor must submit a Proposal submission that meets all mandatory requirements of this RFP.

Material requirements of the RFP are those designated as MANDATORY in the areas marked as Response Note. The Lottery will reject as non-responsive any Proposal that does not meet all material requirements of this RFP, that fails to provide all required information, documents or materials or that includes language that is conditional or contrary to terms, conditions and requirements.

The Lottery reserves the sole right to determine whether a Proposal meets the material requirements of the RFP. Further, the Lottery reserves the right to waive mandatory requirements and inform all Vendors of such decision in writing where it is deemed to be in the best interests of the Lottery.

The Lottery reserves the right to waive or permit cure of non-material deviations if in the judgment of the Lottery the best interests of the State will be served and such waiver or cure will not be prejudicial to competition. The Lottery's waiver or permitting cure of a non-material deviation will not excuse the proposing Vendor from full compliance with the Contract requirements, if such Contract is awarded.

1.28 Disqualification for Business Incapability

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor must have financial and business stability and the wherewithal to perform and support the Lottery.

For purposes of this RFP, financial and business stability factors the Lottery will use as determinants include, but are not limited to: material changes in Vendor finances that would impact its ability to perform and meet contractual obligations; bankruptcy filings of Vendor, its related affiliates and/or its principals; negative client retention rates; and, dramatic reduction of gross media dollars placed.

If, at any time prior to the signing of a Contract, the Lottery determines that a Vendor does not possess adequate financial ability or requisite stability to carry out the obligations of the Contract, the Lottery reserves the right to disqualify that Vendor from further consideration.

If, at any time after Contract execution, the Lottery determines that the Successful Vendor does not possess adequate financial ability or business stability to continue to carry out the obligations of the Contract, the Lottery reserves the right to terminate the Contract pursuant to Section 3.6.2 (Termination for Cause).

1.29 Effect of Submitting a Proposal

RESPONSE NOTE: Mandatory Vendor Acceptance

The submission of a Proposal does not confer upon the Vendor any rights to the award of a Contract.

1.30 Rejection/Selection of Proposals

RESPONSE NOTE: Mandatory Vendor Acceptance

The acceptance of a Proposal submission will not diminish the Lottery's right to negotiate specific Contract

terms, including price, with the apparent Successful Vendor.

Issuance of the RFP in no way constitutes a commitment by the Lottery to award any Contract. The Lottery reserves the right to:

- Reject any or all Proposals received in response to the RFP 23-02 if the Lottery determines that it is in the best interests of the Lottery to do so.
- Reject any Proposal which is conditional or incomplete.
- Continue the evaluation process and select the Proposal which offers the best value to the Lottery, even if all Vendors fail to meet one (1) or more of the mandatory requirements.
- Advertise for new Proposals.
- Abandon the solicitation of such requested products and/or services.
- Award in whole or in part a Contract deemed to be in the best interests of the Lottery.

The Lottery will notify in writing and/or via e-mail, unsuccessful Vendors who submit a Proposal in response to the RFP 23-02, but who are not awarded a Contract. Any successful vendor may be subject to a background check, consistent with the requirements of Section 3.12, in advance of the award or during the contract term.

1.31 Finalist

RESPONSE NOTE: Mandatory Vendor Acceptance

Each Finalist will be required to submit the samples of work as provided as Appendix F, submit a price Proposal, make a presentation based upon the samples of work, and host a site visit for the Lottery. Vendors submitting a Proposal that are not designated as a Finalist will not be further evaluated by the Lottery.

1.32 Change of Ownership/Financial Condition

RESPONSE NOTE: Mandatory Vendor Acceptance

If a Vendor (including the parent or holding company of the Vendor) experiences a material change, including, but not limited to, in its ownership or financial condition or in its client acquisition or client loss that could adversely impact the Vendor's performance ability after its Proposal has been submitted and prior to the execution of a Contract with the Successful Vendor, the Vendor (or its parent or holding company) must notify the Lottery's Bid Coordinator in writing at the time the change occurs or is identified by the Vendor. The Lottery will disqualify any Proposal if a breach has a material impact on competition or otherwise prejudices the procurement process.

1.33 News Releases and Advertising

RESPONSE NOTE: Mandatory Vendor Acceptance

Vendors will refrain from submitting any news releases, or similar public disclosures, pertaining to this RFP or the services, study, data or project to which the RFP relates.

By submitting a Proposal, the Vendor agrees not to use the Lottery's name, logos, images or any other data or information related to this procurement process, or the Contract resulting thereof, as a part of any press release or commercial advertising without prior written approval by the Lottery.

The results of the RFP process must not be released by any Vendor and will only be made public by the Lottery following successful completion of contract negotiations with the Successful Vendor.

1.34 Hiring and Other Business Relationships with Lottery Staff

RESPONSE NOTE: Mandatory Vendor Acceptance

During the period from RFP publication until Contract award, Vendors must not make any employment offer (officially or unofficially) or propose any business arrangement whatsoever to any employee of the Lottery. The Lottery will reject a Vendor's Proposal or terminate any subsequent awarded Contract for making such an offer or proposition.

1.35 Restrictions on Gifts and Activities

RESPONSE NOTE: Mandatory Vendor Acceptance

Employees of the Lottery and state of Iowa are prohibited from being offered or accepting gifts during the term of their employment. Vendors must become familiar with the laws governing this restriction contained in Iowa Code chapter 68B. In addition, Iowa Code 722.1 provides that it is a felony offense to bribe a public official. Restrictions on gifts shall include, but not be limited to, food, drinks, shirts or other items of value presented as part of the site visit or at any point during the RFP process.

2 Lottery Background

Response Note: None for Section 2

2.1 History

The Lottery began operation in 1985. More details on the Lottery history may be found at ialottery.com.

2.2 General Information

General information regarding the Lottery can be found at the Lottery's website at ialottery.com. The Lottery's VIP Club can also be found at ialottery.com by downloading the application in the app store.

2.2.1 Lottery Organization

An organization chart of the Lottery is included as Appendix D.

2.2.2 Marketing Structure and Objectives

The Lottery's five-person Marketing team produces retail and sales support; plans and executes advertising, promotions, contests and sponsorships; provides Lottery retailers with sales flyers, game and promotion brochures and twice-monthly newsletters; designs and purchases promotional items for prizes; produces customized signage for retailers, creates winner's checks and other specialized printing; designs message content for on-premise digital signs and billboards in addition to the Lottery In Motion digital display units at approximately 2,500 retail locations; manages website design and content; and directs the ad agency teams that produce creative material and purchase media. The three members of the External Relations team work in tandem with Marketing to maintain current information on social platforms; write news releases on prize winners; produce the monthly e-newsletter for VIP Club members, and keep the media informed of Lottery news.

Typical marketing expenditures have included:

- Account service;
- Administration;
- Planning and Proposal time;
- Media purchases;
- Creative and production costs for media campaigns;
- Creative execution of point of sale materials including design and bidding of printing;
- Marketing consulting services;
- Research of advertising concepts and costs associated with special promotional efforts;
- Customer Relationship Management Systems
- Reporting, Analytics and survey campaigns
- Special events and promotions; and
- Advertising sponsorships;

Lottery marketing objectives consist of the following six (6) areas:

- Responsibly maximizing the sale of Lottery tickets and revenues to the State of Iowa by maintaining public awareness of the Lottery's games and operations in a manner that maintains the dignity of the State of Iowa and the general welfare of the people;

- Maintaining the public’s trust and confidence in the Lottery and its operation;
- Broadening the appeal of the Lottery’s product mix to a larger audience;
- Promoting lottery games as fun and easy to play along with a variety of play actions and prizes;
- Marketing games and themes that satisfy the preferences of existing and potential players; and
- Ensuring that marketing efforts remain consistent with the requirements of state and federal law, including prohibitions on sales of lottery products to those under 21 years of age.

2.3 Lottery Games

There currently are four (4) categories of Lottery games: Lotto, Scratch, Pull-Tab and InstaPlay Games. The Lottery strives to utilize advertising to create awareness of games and prize/jackpot amounts, game play, and as a reinforcement of the fun and excitement of playing lottery games on a regular basis.

LOTTO Category – Lotto games are printed on-demand from lotto terminals located in each retailer location. The Lottery currently sells six (6) Lotto Games: Powerball®, Mega Millions®, Lucky for Life®, Lotto AmericaSM, Pick 3® and Pick 4® games. The Iowa Lottery offers a mix of both in-state games and multi-jurisdiction games.

SCRATCH TICKET Category - Scratch tickets are pre-printed tickets containing play data under a security coating. While occasional games may be designed internally by Lottery staff and/or the Lottery’s advertising agency, the companies that produce and print scratch tickets generally also design those tickets. The Lottery operates on a multiple game strategy and multiple price point strategy, and plans to have at least multiple games available for sale at all times (e.g., 24-5 games plus). Currently, new scratch tickets are introduced approximately every month. However, the Lottery is currently reviewing its entire product portfolio and likely revising the launch schedule for new Scratch tickets games. Scratch games presently sell for anywhere from \$1 to \$50, and contain prizes ranging from \$1 to \$500,000.

PULL-TAB Category – Pull-tabs are pre-printed tickets which contain paper tabs. When the tabs are pulled open, the player knows immediately if a prize has been won. Approximately 350 retailers sell pull-tabs in Iowa, with approximately 16 games for sale at any one time. Pull-tabs sell from 50 cents to \$5 with prizes ranging from 50 cents to \$3,000.

INSTAPLAY Category – The Lottery introduced InstaPlay in November 2016. Like Lotto games, the tickets are created on-demand and printed from lotto terminals. Like Scratch games, there is no drawing to wait for – the player knows instantly if they have won a cash prize with their ticket. InstaPlay tickets presently sell from \$1 to \$30. Some InstaPlay games feature a progressive jackpot which grows each time a ticket is sold in those select games.

As noted above, the Lottery is currently analyzing and reviewing its entire product portfolio. It is anticipated that the entire product portfolio, including the Scratch category as referenced above, will be enhanced and updated to ensure that the Lottery’s products are meeting consumer expectations.

2.4 Lottery Sales/Financial Results

Total Lottery sales for Fiscal Year 2022 (ending June 30, 2022) were \$432.7 million, generating the second-highest sales year in Lottery history. Prizes to players totaled \$274.2million, sales commissions to retailers totaled over \$28 million, and the Proceeds to the State of Iowa were nearly \$98 million. A summary of sales and revenue figures for the past three Fiscal Years can be found by selecting the “About Us” tab on the Lottery’s homepage.

This is a summary of Lottery sales by product for FY '22:

Scratch tickets	\$293.1 million
Powerball	\$53.1 million
Mega Millions	\$20.4 million
Lotto America	\$7.0million
Pick 3	\$9.3 million
Lucky for Life	\$8.1 million
Pick 4	\$5.6 million
Pull-tabs	\$12.7 million
InstaPlay	\$23.4 million

2.5 Lottery Retailers

The Lottery currently licenses approximately 2,500 retailers throughout the State to sell lottery tickets. Lottery offerings provide a competitive advantage, a revenue enhancement, and customer traffic for retailers.

Convenience stores comprise approximately 68% of all Iowa Lottery retailers. Another 14% of retailers are grocery stores and supermarkets. Miscellaneous retailer types make up the remaining 18%.

Convenience stores accounted for 82% of total Lottery sales in Fiscal Year 2022, grocery stores and supermarkets accounted for 12% of gross sales, with all other categories accounting for 6% of gross sales.

Retailers are compensated by the Lottery with a sales commission determined by product category and the type and quantity of games offered. "Gold Star" retailers (which make up roughly 92% of retailers) earn 7% on Scratch tickets, 5.5% on Lotto, 5.5% on InstaPlay and 5% on Pull-tabs. Retailers are eligible to earn additional compensation through incentive programs offered throughout the year by the Lottery, such as earning a cash reward of \$10,000 for selling the winning Powerball jackpot ticket, or an additional bonus when the Powerball or Mega Millions jackpots exceed a certain amount.

2.6 Marketing Plan

The Lottery's Marketing Plan is considered confidential. Marketing expenditures include traditional and digital advertising, promotions, sponsorships, public relations and public information material. By law, the Lottery can spend no more than four percent (4%) of gross Lottery revenues for marketing, and has historically spent less than two-and-a-half percent (2.5%) annually.

2.7 Advertising

The Lottery creates advertising messages for brand building, specific games and promotions, game introductions, lotto game jackpot awareness, winner testimonials and beneficiary advertising related to good causes supported by Lottery proceeds.. Every year is different. In the most recent Fiscal Year, the Lottery executed advertising for launches of a statewide "Explore Iowa" campaign, a regional trip to Austin, Texas in "Fly with Cy" and a "Kinnick Stadium Ironman Patio" promotion in Iowa City, both experiential collegiate sports promotions. Fall 2022 kicked off with a national Powerball promotion to name the new year's "First Millionaire" from Times Square and concluded with a three-month Holiday Cash Bash campaign. January 2023 ushered in a Suite Seats promotion in conjunction with NCAA Tournament mens' basketball games in Des Moines and a luxury suite NBA opportunity with the Minnesota Timberwolves in the Twin Cities as part of the Lottery's VIP Club promotions. Other efforts include limited-time sales offers for InstaPlay and introduction of new scratch tickets and/or other lotto category promotions. The Lottery further created messages to explain how Lottery proceeds are used in Iowa.

Advertising is designed to position Lottery games as a fun and entertaining discretionary product for adults

to play for a chance to win cash and merchandise prizes. The logo and tagline “Woo Hoo for You” are the Iowa Lottery’s brand identity and are valuable assets. The “Woo Hoo” phrase and related audio sounder has a longtime association with the Iowa Lottery. It is the sound that players hear when validating or cashing a winning Iowa Lottery ticket. The instantly recognizable “Woo Hoo!” is routinely used to close-out most broadcast ads. Extending the phrase to “Woo Hoo for You” alludes even to those who aren’t playing as *all* Iowans benefit from the Iowa Lottery’s financial contribution to the state.

The Lottery faces competition from many other discretionary forms of entertainment or instant gratification products, such as casinos, movies, concerts, sporting events, festivals, and hospitality experiences. As a result, the Lottery must always strive to maintain continuous top-of-mind awareness, at times involving collaboration or sponsorships with those competitors. The Lottery takes special care to ensure that its messages do not overpromise, encourage irresponsibly play, and reflects the culture and dignity of the citizens of Iowa.

The Lottery generally abides by the North American Association of State and Provincial Lotteries (NASPL) advertising guidelines which can be found at www.naspl.org. The Iowa Lottery’s Advertising Policy can be found as Appendix C.

2.8 Promotions

The Lottery conducts numerous promotions and/or sponsorships with media and non-media vendors (such as sports franchises and event properties) to promote the Lottery and its products. Some of the promotions are specific to a lottery game, while others are used to conduct sampling and brand engagement. Media trades (airtime in exchange for ticket and merchandise prizes) are used periodically throughout the year to create additional awareness of key events and promotions and provide opportunity for consumer interaction.

Contests and drawings are entered online through the Lottery’s website or through a mobile entry option. Players use the unique code on an eligible ticket for their entry, either entered manually or scanned on their device. VIP Club membership is required for Play It Again® promotions entry. Prizes include cash, merchandise and trips.

The Lottery also conducts smaller contests to encourage visits to the website and ongoing engagement with its players. Several times throughout the year, the Iowa Lottery’s VIP Club members are emailed an invitation to enter a “Pop-Up Contest” for a prize – no purchase necessary. Past prizes include experiential sports or concert tickets, opportunities for “behind the scenes” access at special events, or prize packs of Lottery tickets and merchandise. These contests offer added value to the Club members and rewards them for their loyalty.

2.9 Lottery VIP Club

The Lottery has a VIP Club which can be accessed at ialottery.com or by downloading the Lottery mobile app. Adults age 21+ are eligible to join this free club. Benefits include the opportunity to enter eligible lotto and scratch ticket tickets in Play It Again® promotions for cash, trips and merchandise prizes. Members receive monthly free play lotto game coupons, a monthly e-newsletter with insider news, chances to enter special member-only contests, and more. Current membership exceeds 150,000 accounts.

2.10 Customer Relationship Management Marketing

The Lottery has recently implemented a new Customer Relationship Management (CRM) system to better align promotional offerings with player preferences, test and refine overall promotional efforts and marketing messages, and optimize frequency and type of promotional offers to VIP Club members.

3. Terms and Conditions

3.1 Introduction

RESPONSE NOTE: Mandatory Vendor Acceptance

This section describes the terms and conditions that apply to the procurement process and which will become part of the Contract(s) executed pursuant to this RFP 23-02.

3.2 Scope of the Contract

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor will provide advertising and related services for the Lottery as described in the Contract, the RFP 23-02, and the Successful Vendor's response to the RFP 23-02. The Successful Vendor understands and agrees that the provision of advertising and related services during the Term of the Contract, or any extension hereto, is nonexclusive, and that the Lottery has the right to acquire advertising and related services and to enter into an agreement with other vendors to provide services to the Lottery during the Term of the Contract, or any extension hereto.

3.3 Elements of the Contract

RESPONSE NOTE: Mandatory Vendor Acceptance

The Contract between the Lottery and the Successful Vendor(s) will include as integral parts thereof:

- 3.3.1 Addendums to the Contract.
- 3.3.2 The Contract.
- 3.3.3 Written clarifications, including applicable responses to questions from Vendors and addenda to the RFP 23-02, if any.
- 3.3.4 The RFP 23-02.
- 3.3.5 Amendments to the Proposal and any Proposal clarifications.
- 3.3.6 The Vendor's Proposal, including appendices.
- 3.3.7 Other documents identified by the Lottery e.g., specification documents.

In the event of a conflict in language between any of the documents referred to above, the provisions of the Contract shall govern in the order listed.

The Contract elements listed above constitute the entire Contract between the Lottery and the Successful Vendor(s). Representations, verbal or written, by either the Successful Vendor or the Lottery that are not included in such Contract elements will not be binding.

3.4 Governing Law

RESPONSE NOTE: Mandatory Vendor Acceptance

Iowa law, without regard to its choice-of-law provisions, will govern this contract. Venue for all legal proceedings out of this contract, or its breach, will be in the appropriate state or federal court with competent jurisdiction in Polk County, Iowa.

Provisions of all applicable laws and administrative procedures, regulations or rules of the State of Iowa shall govern the development, submission and evaluation of all Proposals received in response hereto and shall govern any and all claims and disputes which may arise between persons submitting a Proposal hereto and the Lottery.

The Vendor must read and be familiar with the applicable laws, rules and regulations. Lack of knowledge of the law or applicable administrative procedures, regulations or rules by any Vendor shall not constitute a cognizable defense against their effect(s).

3.5 Term of the Contract

RESPONSE NOTE: Mandatory Vendor Acceptance

The Contract resulting from this RFP 23-02 will be effective on July 1, 2023 and expire at midnight on June 30, 2025. The causes for premature ending of the Contract include Contract termination or loss of statutory authority by the Lottery.

The Lottery reserves the right to extend the Contract at its sole option for up to four (4) one-year periods. The price terms for any extensions shall be at a rate of compensation to be renegotiated by the parties. The Lottery reserves the right to direct work to the Agency during a two (2) month transition period prior to or immediately following the term of this Agreement.

3.6 Termination of the Contract

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may terminate the Contract prior to the expiration date in accordance with the provisions of this section of the RFP.

3.6.1 Termination for Default

RESPONSE NOTE: Mandatory Vendor Acceptance

Default is defined as the failure of the Successful Vendor to fulfill the obligations of the Contract including the Proposal.

The Lottery may terminate the Contract or any portion(s) of the Contract entered into as a result of the RFP and be relieved of the payment of any consideration to the Successful Vendor for the terminated portions of the Contract except as otherwise provided herein if the Successful Vendor fails to perform to the Lottery's satisfaction on any material requirement of the Contract and fails to remedy the failure or violation within ten (10) business days (or such alternative period as designated by the Lottery) after written notice from the Lottery of such failure or violation.

In the event of a termination for default, the Lottery shall have the right to obtain replacement products and/or services, on an emergency or interim basis, for the products and/or services that the Successful Vendor agreed to provide under the Contract. Except as otherwise provided below, the Lottery shall have the right to collect from the Successful Vendor the difference between the compensation set forth in the Contract and the actual costs to the Lottery, including any added administrative costs, of obtaining and utilizing replacement products and/or services on an emergency or interim basis. The Lottery shall collect monies it is due as a result of a termination under this subsection by offsetting the amount from any payments due to the Successful Vendor. The Successful Vendor will not be liable to the Lottery for reimbursement of any costs incurred by the Lottery for obtaining replacement products and/or services if a termination pursuant to this section arises from causes beyond the control and without the fault or negligence of the Successful Vendor, including an event of force majeure occurrence but not including actions of the Vendor's subcontractors.

3.6.2 Termination for Cause

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may immediately terminate any Contract issued as a result of this RFP 23-02 for any of the

following reasons by providing written notice to the Successful Vendor:

- a. The Successful Vendor furnished any statement, representation, warranty or certification in connection with this RFP or the resultant Contract which is materially false, incorrect or incomplete.
- b. The Successful Vendor becomes financially unstable or is not able to obtain the financing necessary to perform the Contract.
- c. The Successful Vendor or subcontractor, or an officer or owner of a 5% or greater share of either, is convicted of a criminal offense incident to the application for or performance of any contract or subcontract whether in this State or in another jurisdiction or is convicted of a criminal offense which at the sole discretion of the Lottery reflects on the Successful Vendor's integrity.
- d. The Successful Vendor commits an ethics or integrity violation as defined in the Contract.
- e. A court of competent jurisdiction finds that the Successful Vendor has failed to adhere to any material laws, ordinances, rules, regulations or orders of any public authority having jurisdiction.
- f. Any of the directors of the Successful Vendor have been convicted of a criminal offense that in the Lottery's judgment may affect his/her professional capacity or professional ethics.
- g. The Successful Vendor(s) or any officer or director thereof has been guilty of professional negligence or misconduct such that, in the Lottery's reasonable judgment, continuation of the Contract will be likely to have a negative impact on the Lottery's image.
- h. The Successful Vendor(s) is liquidated, becomes bankrupt or insolvent, a substantial portion of its assets is seized by a creditor or becomes subject to judicial process or the Successful Vendor(s) takes such action or fails to take action such as to endanger, in the Lottery's reasonable judgment, the Successful Vendor(s)'s continued corporate existence or ability to carry out the Contract.
- i. The Successful Vendor(s)'s failure to provide qualified staffing at the levels indicated in their Proposal may result in termination.

The Lottery and the State will not be liable for any costs incurred by the Successful Vendor(s) if termination is for any of the causes stated above.

In the event of a termination for cause, the Lottery shall have the right to obtain replacement products and/or services, on an emergency or interim basis, for the products and/or services that the Successful Vendor(s) agreed to provide under the Contract. Except as otherwise provided below, the Lottery shall have the right to collect from the Successful Vendor(s) the difference between the compensation to be paid to the Successful Vendor(s) as set forth in the Contract and the actual costs to the Lottery, including any added administrative costs, of obtaining and utilizing replacement products and/or services on an emergency or interim basis. The Lottery shall collect monies it is due as a result of a termination under this subsection by offsetting the amount from any payments due to the Successful Vendor(s).

3.6.3 Termination for Convenience

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may terminate the Contract without cause or for the convenience of the Lottery by sending written notice to the Successful Vendor(s) at least ninety (90) calendar days prior to the termination date.

3.6.4 Termination for Lack of Authority or Funding

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may terminate the Contract without penalty and without any advance notice as a result of any of the following:

- a. If the Lottery's statutory authorization to conduct its business is withdrawn or there is a material alteration in the programs the Lottery administers; or
- b. If the Lottery's duties are substantially modified.

3.7 End of Contract Conversion

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery reserves the right to direct work to the Agency during a two (2) month transition period immediately following the term of this Agreement. The Lottery may launch some projects at the end of the Contract term requiring the work to be continued through completion. The compensation for these services will remain as stated in the Contract.

3.8 Severability

RESPONSE NOTE: Mandatory Vendor Acceptance

Each provision of the Contract shall be deemed severable from all other provisions of the Contract and, if one(1) or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

3.9 Prime Contractor Responsibilities

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) will be the prime Contractor and, as such, is responsible for all contractual activities performed under the Contract whether or not the Contractor performs them.

The Contractor's Authorized Representative identified in the Contract must be the sole point of contact with regard to contractual matters, including payment of any or all charges under the Contract. The Successful Vendor(s) shall be independent. No principal/agent relationship or employer/employee relationship should be contemplated or created by the parties to the Contract, except as expressly provided.

Should the Successful Vendor(s) utilize subcontractors to fulfill any of its obligations under the Contract, the Successful Vendor(s) shall be fully and solely responsible for the subcontractors' performance, compliance with the terms and conditions of the Contract and compliance with the requirements of any and all applicable laws.

The Successful Vendor(s) must inform the subcontractor of any and all contractual and other obligations arising from the Contract with the Lottery and being relevant for the subcontractor's duties.

The Successful Vendor(s) must provide a listing of all subcontractors the Successful Vendor(s) proposes to use that are directly related to its obligations under the Contract.

In such case where the Successful Vendor(s) chooses to use subcontractors, the Lottery must have the right to communicate with any subcontractor in all matters related to the performance of the Contract. The Lottery will keep the Successful Vendor(s) informed in case of such direct communication with any subcontractor.

3.10 Subcontractor Approval

RESPONSE NOTE: Mandatory Vendor Acceptance

Any proposed subcontracts shall be subject to the prior written approval of the Lottery, except those subcontracts listed in the Proposal. The Successful Vendor(s) must appoint alternates to any subcontractors not approved by the Lottery.

3.11 Assignment

RESPONSE NOTE: Mandatory Vendor Acceptance

The Contract shall not be assigned, transferred, conveyed, sublet or, otherwise, disposed of without previous written approval of the Lottery and the Lottery shall not unreasonably withhold such approval. Any purported assignment in violation of this section shall be null and void. Further, the Successful Vendor(s) shall not assign the right to receive moneys due under the Contract without the prior written consent of the Lottery.

3.12 Background Investigations during the Contract Term

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall allow authorized personnel designated by the Lottery to interview any Successful Vendor(s) employee or employee of a subcontractor or authorized agent related to the Contract in conjunction with any audit, review or investigation deemed necessary by the Lottery. The Lottery or authorized personnel may conduct a background investigation of the Successful Vendor(s), all of its principals and each individual assigned to the project pursuant to Iowa Administrative Code 531-2.16(99G). The Successful Vendor shall be responsible for the costs incurred for the background investigation.

3.13 Lottery Approval of Staffing/Subcontractors

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery may disapprove any employee or subcontractor of the Successful Vendor(s) who is assigned to the Lottery Contract, either at Contract inception or at any time during the Term of the Contract.

Neither the Successful Vendor(s) nor the Lottery shall engage or allow the engagement of unfit or unqualified persons or persons not skilled in the tasks assigned to them with respect to the Contract and the parties shall at all times employ sufficient personnel for carrying out work to full completion in the manner and time prescribed by the Contract. The Successful Vendor(s) shall be responsible to the Lottery for the acts and omissions of the Successful Vendor(s)'s employees and any subcontractors' employees.

Any person employed by the Successful Vendor(s) shall, at the written and reasonable request of the Lottery, be removed forthwith by the Successful Vendor(s) from work relating to the Contract. The Successful Vendor's subcontractors are in this respect considered Vendor employees.

3.14 Covenant Against Contingent Fees

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) warrants that no person or selling agency has been employed or retained to solicit or secure a Contract pursuant to this RFP upon a Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting disclosed employees or disclosed established commercial or selling agencies retained by the Successful Vendor(s) for the purpose of securing business. For breach or violation of this warranty, the Lottery shall have the right to terminate the Contract in accordance with the termination clause, and at its sole discretion, to deduct from the Contract any price or consideration, or otherwise recover the full amount of any such commission, percentage, brokerage, or contingent fee.

3.15 Accounting Records

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall maintain, in accordance with generally accepted accounting principles, all pertinent books, documents, financial accounting records and evidence pertaining to the Contract to the extent and in such detail as necessary to document all net costs, direct and indirect, for which payment is claimed.

Such financial and accounting records shall be made available for inspection and copying, upon request, to the Lottery, its designees or any authorized agency of the State at any time during the Term of the Contract and for the most recent three (3) Lottery fiscal years from the expiration date or final payment under the Contract, including any extension options, whichever is later in time. The Vendor(s) must be capable of providing accounting records in an electronic tabular format, for example in a delimited .txt, .csv, .xlsx or other delimited flat file formatted in organized rows and columns.

3.16 Right to Audit

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery reserves the right to audit all Successful Vendor(s) and subcontractor facilities, processes and/or procedures as they relate to the Contract, utilizing Lottery employees, its designees or other employees of the State as provided by law.

The Successful Vendor(s) and all its subcontractors under the Contract are required to maintain records and supporting evidence pertaining to the fulfillment of the Contract obligations in accordance with generally accepted accounting principles and other procedures specified by the Lottery.

These records must be made available to the Lottery and its designees during the Term of the Contract and any extension thereto. These records must be retained for three (3) years from the date of final payment of the Contract.

The Lottery reserves the right, at its sole discretion, to perform additional audits which may include, but are not limited to, the following: financial/compliance, security, economy/efficiency, program results or, limited scope audits where appropriate. Additionally, the Lottery reserves the right to inspect any of the Successful Vendor's third-party auditor's reports and management letters.

Unless the audit would be impaired, any audit by the Lottery will only be conducted with reasonable prior notice to the Successful Vendor(s) and subject to all security, quality and other procedures which may be in force at the Successful Vendor(s) site. In the case of an audit indicating non-compliance with the terms of the Contract, the Lottery may terminate the Contract.

3.17 Audit Requirements

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Media Vendor shall conduct post-buy analysis and audit placement of media in accordance with Appendix B. At the Lottery's request, the Successful Vendor shall cooperate and work in tandem with a third-party media auditing service to periodically examine and audit advertising released through the various media to verify that quality, timing, position, and distribution are compliant and consistent with the approved plans and guidelines. If auditing services are performed, these services shall be at the Lottery's expense, unless the Lottery in its sole discretion, reasonably believes, the Successful Vendor has engaged in malfeasance, fraud, or material misrepresentation.

3.18 Non-Exclusive Rights

RESPONSE NOTE: Mandatory Vendor Acceptance

Nothing in this RFP and the subsequent Contract shall grant or be interpreted as either party granting any exclusive rights to the other party unless explicitly stated.

3.19 Vendor Ethics and Integrity

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) is obligated to meet high standards for ethics and integrity under this Contract including, but not limited, to the following:

- a. The Successful Vendor(s) may not accept pay, remuneration or gratuity of any value for performance on or information derived from this project from any party other than the Lottery or the Successful Vendor(s) as described in the Contract or from any party under contract to the Lottery or seeking to contract with the Lottery with respect to this project.
- b. The Successful Vendor(s) and employees may not offer or give any gift, gratuity, favor, entertainment, loan or any other thing of material monetary value to any Lottery employee, director or any other person or organization associated with the Lottery and, if offered, the Lottery employee, director or any other person or organization associated with the Lottery may not accept them.
- c. The Successful Vendor(s) and employees of the Successful Vendor(s) may not disclose any business-sensitive or confidential information gained by virtue of this Contract to any party without the prior written consent of the Lottery.
- d. The Successful Vendor(s) and employees may take no action in the performance of this Contract to create an unfair, unethical or illegal competitive advantage for itself or others.
- e. For violation of the above provisions, the Lottery may terminate the Contract, receive restitution from the Vendor or take any other appropriate actions against the Vendor.
- f. The successful vendor must provide the Lottery with a client list, but must specifically note any gambling or gaming client doing business in Iowa. The Lottery reserves the right to cancel this contract should we determine that any gambling or gaming clients are in direct competition with the Lottery.

3.20 Cooperation of the Parties

RESPONSE NOTE: Mandatory Vendor Acceptance

Any Successful Vendor agrees to cooperate fully with the Lottery and to assist in the performance of the Contract. The Successful Vendor shall not unreasonably withhold its approval of any act or request of the Lottery.

3.21 Liquidated Damages Provisions

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery reserves the right to require the Successful Vendor or Successful Vendors to agree to appropriate liquidated damages to ensure compliance in any subsequent Contract awarded pursuant to this RFP.

3.22 Ownership of Materials and Intellectual Property

RESPONSE NOTE: Mandatory Vendor Acceptance

Subject to the provisions of this section, the Successful Vendor(s) shall relinquish to the Lottery any and all copyrights or privileges to data developed and delivered to the Lottery under the Contract. The term "data" as used herein includes, but is not limited to, written reports, studies, drawings or graphics, electronic source codes, electronic data systems or mechanical representations and any work of a similar nature which is required to be delivered by the Successful Vendor(s) to the Lottery under the Contract. The Successful Vendor(s) shall include in the data any copyrighted or trademarked matter without the written permission of the copyright or trademark owner for the Lottery to use such copyrighted or trademarked matter. The Successful Vendor(s) agrees that any concepts, ideas, tickets, etc., developed pursuant to the Contract shall become property of the Lottery if and when such concepts, ideas, tickets, etc., are incorporated into materials or goods during the term of the Contract.

If the Successful Vendor(s) engages any third parties to perform services under the Contract, the

Successful Vendor(s) shall work with the Lottery to determine the most cost effective means of procuring those services while at the same time ensuring that the Lottery obtains the rights it desires in any resulting works. If the Lottery determines that ownership in any work to be produced by a third party is desired and such determination is communicated to the Successful Vendor(s), the Successful Vendor(s) shall use its best efforts to obtain from such third party an appropriate assignment securing all rights, title and interest in such works, including all copyrights and trademarks, provided the Lottery pays the cost thereof.

3.23 Title to and Use of Third-Party and Contractor Intellectual Property Rights

RESPONSE NOTE: Mandatory Vendor Acceptance

To the extent that any Successful Vendor utilizes or relies upon the Intellectual Property Rights of a third party in fulfilling its obligations under the Contract, that Successful Vendor must provide the Lottery with assurance that the use of such third party's Intellectual Property Rights is permissible as the Lottery deems necessary.

While the Lottery and the Successful Vendor agree that all Intellectual Property Rights associated with any product and/or service provided by or developed by any Successful Vendor under the Contract are and may remain the property of the Successful Vendor, any Successful Vendor agrees to grant a license to the Lottery to make use of any such Intellectual Property Rights on an indefinite basis with respect to Lottery business activities. Compensation for the use of such licensed works, if any, must be clearly defined in the price Proposal.

3.24 Patents, Copyrights, Trademarks and Trade Secrets

RESPONSE NOTE: Mandatory Vendor Acceptance

Any Successful Vendor shall take all measures to prevent any patent, copyright, trademark and/or trade secret infringements during any phase of development, designing advertising for the Lottery or otherwise producing materials for the Lottery during the term of the Contract, including any renewal extensions.

The Successful Vendor(s) shall ensure that no violations or infringement of copyrights, patents, trademarks and/or trade secrets are committed by its own employees, by any subcontractor, by any subcontractor's employees and, generally any person acting under the control or acting by toleration of the Successful Vendor(s).

The Successful Vendor(s) shall ensure that all materials delivered to the Lottery including but not limited to, software, databases, photographs, works of painting, audio and video works, music and generally all works falling under the scope of the law protecting copyright, patents, trademarks and/or trade secrets are only used with the express consent of the author of the works. Lawful and correct use includes, if requested, the payment of usage or reproduction rights, the integration of the author's or producer's name, as requested for by law and, generally, the respect of all the author's moral rights on the work.

The Successful Vendor(s) shall assume all liability and shall hold the Lottery harmless from any liability resulting from any infringement that occurs as the result of the Successful Vendor's or any subcontractor's actions.

3.25 Intellectual Property Indemnification

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall agree to indemnify and save harmless and to defend all legal or equitable actions brought against the State of Iowa and the Lottery, and/or employee of the Lottery for and from all claims of liability which may result from the Lottery's use of any Intellectual Property Rights under licenses granted by the Successful Vendor(s) and for any claims resulting from the Successful Vendor's use of third-party Intellectual Property Rights. The Lottery shall agree to give the Successful Vendor(s) prompt notice

of all such claims of liability.

If the Lottery promptly notifies the Successful Vendor(s) in writing of a third-party claim against the Lottery that any deliverable infringes upon the Intellectual Property Rights of any third party, the Successful Vendor(s) shall defend such claim at its expense and will pay any costs or damages that may be finally awarded against the Lottery. If any deliverable is, or in the Lottery's opinion likely to be, held to be infringing, the Successful Vendor(s) must at its expense and option either: (a) procure the right for the Lottery to continue using it, (b) replace it with a non-infringing equivalent or (c) modify it to make it non-infringing.

If the actions in clauses (a), (b) and (c) are not commercially practicable, the infringing deliverable may be returned and the Lottery shall be refunded the fees paid for such deliverable as well as any applicable liquidated damages. The Successful Vendor(s) shall make every reasonable effort to explore options (a), (b) and (c) prior to returning the fees paid, paying the applicable damages and receiving the deliverable from the Lottery. The foregoing remedies constitute the Lottery's sole and exclusive remedies and the Successful Vendor's entire liability with respect to infringement.

3.26 Indemnification

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall indemnify, defend and hold harmless the Lottery, State of Iowa, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

Any claim, demand, action, citation or legal proceeding arising out of or resulting from (i) the product provided or (ii) performance of the work, duties, responsibilities, actions or omissions of the Successful Vendor(s) or any of its subcontractors under this Agreement;

Any claim, demand, action, citation or legal proceeding arising out of or resulting from a breach by the Successful Vendor(s) of any representation or warranty made by the Successful Vendor(s) in the Agreement;

Any claim, demand, action, citation or legal proceeding arising out of or related to occurrences that the Successful Vendor(s) is required to insure against as provided for in this Agreement;

Any claim, demand, action, citation or legal proceeding arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Successful Vendor(s), by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the Lottery;

Any claim, demand, action, citation or legal proceeding which results from an act or omission of the Successful Vendor(s) or any of its subcontractors in its or their capacity as an employer of a person.

The Successful Vendor's duty to indemnify shall survive the expiration or termination of this Agreement and shall apply to all acts taken in the performance of this Agreement regardless of the date any potential claim is made or discovered by the Lottery.

3.27 Confidential Information

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall not divulge or release any information, reports or recommendations developed or obtained in connection with performance of the Contract except to authorized Lottery personnel or upon prior written approval of the Lottery CEO or authorized designee. News releases pertaining to any service provided by the Successful Vendor(s) under the Contract shall not be made without prior written approval of the Lottery CEO or authorized designee.

3.28 Taxes, Fees and Assessments

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery shall have no responsibility for the payment of any federal, state or local taxes which become payable by the Successful Vendor(s) or its subcontractors as a result of the Contract. The Lottery reserves the right to offset any State liability against the compensation due the Successful Vendor(s).

3.29 Advertising

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall not use the Lottery's name, logo, slogan, image or any data arising or resulting from this RFP or the Contract as a part of any commercial advertising without the prior written consent of the Lottery CEO or authorized designee.

3.30 Force Majeure/Delay of Performance

RESPONSE NOTE: Mandatory Vendor Acceptance

Neither the Successful Vendor(s) nor the Lottery shall be liable to the other for any delay or failure of performance of this Agreement and no delay or failure of performance shall constitute a default or give rise to any liability for damages if and only to the extent that, such delay or failure is caused by a "force majeure". The existence of such causes of delay or failure shall extend the schedule for performance to such extent as may be necessary to complete performance in the exercise of reasonable diligence after the causes of delay or failure have been removed.

A *force majeure* occurrence is an event or effect that cannot be reasonably anticipated, prevented or controlled and without the fault or negligence of the non-performing party. As used in this Agreement, "force majeure" includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. Failure to perform by a subcontractor or an agent of the Successful Vendor(s) shall not be considered a "force majeure" unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as defined in this Agreement. "Force Majeure" does not include financial difficulties of the Successful Vendor(s) or any parent, subsidiary, affiliated or associated company of the Successful Vendor(s) or claims or court orders which restrict the Successful Vendor's ability to deliver the goods or services contemplated by this Agreement.

If a "force majeure" delays or prevents the Successful Vendor's performance, the Successful Vendor(s) shall immediately commence to use its best efforts to directly provide alternate and to the extent possible, comparable performance. Comparability of performance and the possibility of comparable performance shall be reasonably determined solely by the Lottery. Any such delay in or failure of performance shall not in and of itself give rise to any liability for damages; however, the Lottery may elect to terminate the Contract for cause should its continuing operations, in its sole judgment, be materially threatened or harmed by reason of extended delay or failure of performance.

During any such period, the Successful Vendor(s) shall continue to be responsible for all costs and expenses related to alternative performance. During a period of non-performance due to *force majeure*,

payments from the Lottery to the Successful Vendor(s) will be suspended.

This section shall not be construed as relieving the Successful Vendor(s) of its responsibility for any obligation which is being performed by a subcontractor or supplier of services unless the subcontractor or supplier is prevented from timely performance by a "force majeure" as described here. The party asserting "force majeure" must provide the other party with reasonable information substantiating the basis for such assertion.

3.31 Warranties

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) warrants that:

- a. The Successful Vendor(s) is fully authorized and prepared to enter into and fully perform the terms and conditions of the Contract;
- b. The Successful Vendor(s) has secured or will have secured all necessary rights, clearances and/or licenses with respect to all material and elements embodied in or used in connection with the performance of the Contract and any extension periods;
- c. The products and services in all respects meet or exceed all of the Lottery's requirements set forth in the RFP 18-02; and
- d. The Successful Vendor(s) will comply with all federal state and local laws, ordinances, rules and regulations applicable to its activities and obligations under the Contract.
- e. The Successful Vendor(s) shall warrant that all persons assigned by it to the performance of this contract shall be employees of the Successful Vendor(s) (or specified Subcontractor) and shall be fully qualified to perform the work required.

3.32 Insurance

RESPONSE NOTE: Mandatory Vendor Acceptance

For the Term of the Contract, the Successful Vendor(s) must maintain the insurance, at its own expense, listed below:

- a. General Liability Insurance with limits of not less than \$2,000,000.00.
- b. Errors and Omissions Insurance with limits of not less than \$1,000,000.00 with normal industry exclusions. Such insurance shall be continued for at least one (1) year after the expiration of the Contract. Errors and Omissions Insurance shall indemnify the Successful Vendor(s) and the Lottery for any loss which may be incurred due to any error or omission caused by the Successful Vendor(s), its officers, employees or assigns, regardless of negligence. The Lottery will accept a certificate of insurance from a company, authorized to transact business in Iowa, relating to the Errors and Omissions Policy in which the Lottery and State of Iowa is named certificate holder and in which the insurance company commits itself to provide the Lottery with at least thirty (30) days prior written notice of cancellation, termination or modification of the policy.
- c. Employees of the Successful Vendor(s) must be insured according to State laws and must be covered to the full extent under workers' compensation.
- d. Commercial automobile liability insurance protecting the Successful Vendor(s) from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from the operations under this Contract, and in case any work is subcontracted the Successful Vendor(s) will require the subcontractor to provide Commercial Automobile Liability, with Insurance minimum amounts of \$2,000,000 per occurrence - Combined Single limit for Bodily Injury and Property Damage.
- e. Only certificates from companies authorized to transact business in Iowa will be accepted; be occurrence-based and insure against any loss or damage resulting from Successful Vendor's performance or related to performance. The Successful Vendor(s) shall obtain a waiver of any subrogation rights that any of its insurance carriers might have against the Lottery. The certificates of insurance provided should contain this waiver of subrogation rights.

3.33 Compensation Procedures During the Contract

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor(s) shall submit detailed invoices or estimates for Vendor services rendered no later than the 5th day of each month. The invoices shall reflect the Vendor(s) services, outside services and purchases, out-of-pocket expenses and travel expenses incurred by the Vendor(s). The invoices shall be submitted to the Lottery with appropriate documentation as necessary to support all the charges included on the monthly invoice. The Lottery shall pay all approved invoices in arrears and in conformance with Iowa Code Section 8A.514 and II IAC § 41.1(2). The Lottery may vary the terms of this provision by paying the bill for services in less than 60 days as provided in Iowa Code Section 8A.514. However, an election to pay in less than 60 days shall not act as an implied waiver of Iowa Code Section 8A.514.

The Vendor(s) is not entitled to payment for services rendered pursuant to this Agreement if the Lottery reasonably determines that the services have not been satisfactorily performed. The Lottery may withhold that portion of the Vendor's fee, which represents payment for the unsatisfactory services.

Outside Services and Products –

Advertising related products and services that are provided by entities or individuals outside the Vendor(s) shall be billed to the Lottery at net cost. All volume rates and discounts shall be passed on to the Lottery. The selected Vendor will report any volume savings obtained on a quarterly basis.

Out-Of-Pocket Expenses –

Out-of-pocket expenses reasonably incurred by the Vendor(s) in performance of this Agreement shall be billed to the Lottery at cost without mark-up and submitted with the monthly invoice. Out-of-pocket expenses include but are not limited to such items as postage, shipping/delivery charges and art supplies. Vendor(s) overhead expenses such as photocopy expenses, storage charges, cellular or other telephone charges, office supplies and support services shall not be charged to the Lottery.

Traveling Time and Expenses -

- Vendor(s) staff time, which is expended traveling to execute research or production functions, will be billed to the Lottery based on the total hours actually traveled or worked by the staff each day. All out-of-pocket travel expenses incurred for these purposes will be billed to the Lottery at cost.
- Vendor(s) staff time which is expended traveling to such functions as conferences or meetings, if required by the Lottery, will be billed to the Lottery at a maximum of eight hours per day. All out-of-pocket travel expenses will be billed to the Lottery at cost. Travel to meetings or conferences must be approved in writing by the Lottery prior to the event to receive reimbursement.
- The Lottery may reimburse the Vendor(s) for out-of-pocket costs related to travel conducted at the request of the Lottery outside of the Des Moines Metropolitan Area. Such reimbursement shall be at the same rate provided to State of Iowa employees in effect at the time of the travel. The Lottery shall provide the Successful Vendor(s) with current reimbursement rates when they become effective.
- The Lottery's payment of any travel expenses is conditioned upon the expenses being reasonably incurred by Vendor's staff and upon submission of appropriate documentation of the expenses incurred if requested by the Lottery. No reimbursement will be allowed for alcoholic beverages.

Reimbursement of Costs -

The Lottery may agree to reimburse the Successful Vendor(s) for non-media costs incurred in the procurement of any additional services or materials under the Agreement, provided that such procurements are done with the prior written approval of the Lottery. Unless otherwise specifically agreed to by the Lottery and the Successful Vendor(s), the Successful Vendor(s) will not charge or invoice the Lottery for supervision of subcontractors.

The Lottery may reimburse the Successful Vendor(s) for legal expenses incurred for special projects or

issues requiring outside legal counsel as requested by the Lottery. The Lottery may agree to bear any expenses involved in trademark or copyright searches or registrations undertaken by the Successful Vendor(s) in connection with the Successful Vendor's performance of the Contract when such searches or registrations have been pre-authorized in writing by the Lottery CEO or authorized designee.

The Successful Vendor(s) shall credit the Lottery with any amounts received in rebate from publishers or third parties resulting from rate reductions, lineage shrinkage, "short circulation", nonappearance of the advertisement, faulty reproduction or similar cause.

3.34 Notices

RESPONSE NOTE: Mandatory Vendor Acceptance

All official notices given pursuant to the Contract shall be sufficient and deemed given if in writing and transmitted via facsimile with receipt acknowledged or mailed as "certified" with receipt acknowledgement using the United States Postal Service or by receipted hand delivery services such as Federal Express or UPS. All other communications shall be sufficient if in writing and mailed prepaid first class or transmitted via e-mail. Any such notice or communication shall be sent to the addresses of the respective parties or such other addresses as may be designated from time to time by the parties in writing.

Each such notice shall be deemed to have been provided at the time it is actually received; or within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery; or within five days after deposited in the U.S. Mail in the case of certified U.S. Mail.

3.35 Ticket Purchase and Prize Payment Restrictions

RESPONSE NOTE: Mandatory Vendor Acceptance

Successful Vendor(s) will not be subject to ticket purchase and prize payment restrictions, except as designated by the Lottery.

3.36 Fidelity Bond

RESPONSE NOTE: None

No Fidelity Bond will be required.

3.37 Performance Bond

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall, prior to execution of the Contract, provide a performance bond in the amount of one hundred thousand dollars (\$100,000.00), which bond shall apply to the successful completion of the Successful Vendor's obligations under the Contract. The performance bond must be issued by a company authorized to do business in the State of Iowa.

3.38 Change in Ownership or Financial Condition

RESPONSE NOTE: Mandatory Vendor Acceptance

If the Successful Vendor(s) (or parent/holding company of the Vendor) experiences a substantial change in ownership or financial condition during the Term of the Contract, the Successful Vendor(s) must notify the Lottery CEO in writing at the time the change occurs or is identified by the Successful Vendor(s). A "substantial change" in ownership or financial condition is defined as an event which, following generally accepted accounting principles, would require a notation in the annual report of a publicly traded United

States' corporation. The failure to notify the Lottery CEO of such a substantial change may result in the termination of the Contract. The Lottery has the right, upon notice of a substantial change, to review the suitability and qualifications of the Successful Vendor(s) after the substantial change. If the change is contrary to the best interests of the Lottery, the Lottery may terminate the Contract.

3.39 Adverse Interest

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) and its officers shall have no financial or personal interest in and shall not, during the term of the Contract, including renewal extensions, acquire any direct or indirect financial or personal interest in any business or organization that will conflict in any manner or degree with the performance of its contractual obligations. The Successful Vendor(s) further agrees that, in the performance of the Contract, it will not knowingly employ, directly or indirectly, any person having such interest.

3.40 Amendments or Modifications

RESPONSE NOTE: Mandatory Vendor Acceptance

The Contract may not be modified, amended or extended unless in writing and signed by the Lottery and Successful Vendor(s) and any breach or default by either the Lottery or the Successful Vendor(s) shall not be waived or released other than in writing signed by the other party.

3.41 Antitrust

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall assign to the Lottery all claims for overcharges for goods and services provided in connection with the Contract resulting from antitrust violations that arise under the antitrust laws of the United States or the State of Iowa.

3.42 Approval of Concepts, Plans and Materials

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall have each commercial or concept completed for the Lottery reviewed by its account team prior to presenting the commercial or concept to the Lottery. All materials to be distributed must be approved in writing by the Lottery's authorized designee prior to production of the advertisement or related material. The Lottery reserves the right to approve and, in its discretion, modify or reject any and all schedules and plans submitted by the Successful Vendor(s) and to direct the Successful Vendor(s) to cease work in connection therewith. In such cases, upon reasonable notice by the Lottery, the Successful Vendor(s) shall promptly notify all media, publishers, printers, engravers, artists, production houses, designers or other third parties engaged in carrying out such schedules or plans to cease work thereon. This provision shall not affect obligations of the Lottery to the Successful Vendor(s) under the Agreement or any accounts, charges and expenses incurred by the Successful Vendor(s) as to activities approved by the Lottery prior to notice of the modification or rejection.

3.43 Purchasing Authority

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall be the agent of the Lottery for the purchase of materials and services used in the production of advertising and sales promotion materials for the Lottery. The Lottery shall bear sole financial liability and shall pay for all financial obligations incurred by the Successful Vendor(s) on the Lottery's behalf within the scope of the Successful Vendor's authority. In the procurement by the Successful Vendor(s) of goods and services from outside vendors pursuant to the Contract, the Successful Vendor(s),

except with prior written consent of the Lottery CEO or authorized designee, shall obtain at least three (3) written price quotations for expenditures in excess of two thousand five hundred dollars (\$2,500.00). The Successful Vendor(s) agrees that it will attempt to ensure that all products procured for the Lottery under the Contract are from Iowa-based companies when possible, that production of advertisements for the Lottery are conducted in Iowa and that, as much as possible, all talent utilized for the Lottery are residents of Iowa. The Successful Vendor(s) agrees that it will not utilize companies that are not based in Iowa or produce advertisements outside of Iowa without the prior written consent of the Lottery CEO or authorized designee. Any production work to be conducted outside the State of Iowa must be specified in advance and the Successful Vendor(s) must justify to the Lottery's satisfaction that production staff, locations, talent or facilities within the State of Iowa were not adequate for the production of the work required.

3.44 Authorizations

RESPONSE NOTE: Mandatory Vendor Acceptance

The Successful Vendor(s) shall not incur liability on the Lottery's behalf for any item of space or time in an advertising medium or the purchase of materials and services or other expenses within the scope of the Contract without the prior written consent of the Lottery CEO or authorized designee.

3.45 Talent

RESPONSE NOTE: Mandatory Vendor Acceptance

Where possible, talent utilized for Lottery projects should be residents of Iowa. The Successful Vendor(s) must justify to the Lottery's satisfaction the use of any out of state talent.

3.46 Existing Third-Party Subcontracts

RESPONSE NOTE: Mandatory Vendor Acceptance

For the purposes of continuity, the Successful Vendor(s) may be required to continue certain third-party subcontracts currently administered by the Lottery. Those contracts may include, but are not limited to, contracts with certain billboard vendors, etc.

3.47 Performance Reviews

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery shall conduct regular performance reviews of the effectiveness of the advertising produced by the Successful Vendor(s) and the effectiveness of the other services provided by the Successful Vendor(s). In addition, the Lottery and the Successful Vendor(s) shall seek ideas from each other on developing and sustaining a mutually-beneficial working partnership.

4 Vendor Corporate Information

4.1 Introduction

RESPONSE NOTE: Mandatory Vendor Acceptance

Vendors must respond to all portions of this section as part of Phase 1. The information requested in this section applies to the Vendor and any of its subsidiaries that may contribute to the Proposal or to the performance of the Contract.

4.2 Corporate Background Overview

RESPONSE NOTE: Mandatory - Full

The Vendor must provide the following general information as part of its Proposal:

- a. The name and address of the Vendor submitting the Proposal.
- b. Type of business entity (e.g., corporation, limited liability corporation, partnership, etc.) and employer identification number (EIN or Fed ID #).
- c. Place of incorporation or legal address where other form of organization is domiciled.
- d. The name, address, telephone number and e-mail address of the Vendor's primary contact for the purpose of this RFP.
- e. Name and location of the office that relates to the Vendor's performance as proposed.
- f. The names, addresses and services performed of any subcontractors, associated companies or consultants that will be involved at an estimated 25% or more of any phase of the project or services being procured in this RFP.
- g. The name(s) of any and all law firms and/or individuals representing the Vendor within the State of Iowa.
- h. The names, addresses and dates of birth of all persons or entities who own in excess of 5% of the shares of the Vendor and the names, addresses and dates of birth of all officers and directors (if the Vendor is a subsidiary, the Vendor must disclose the information required above for its parent or holding company).
- i. Any substantial change of ownership in the Vendor or the Vendor's parent or holding company that occurred since January 1, 2015. Pending changes should be disclosed to the extent permitted by law and by regulatory agencies).
- j. A list of current Vendor clients and all clients served within the previous 24 months.

4.3 Applicable Experience

RESPONSE NOTE: Mandatory – Full

An Experience Summary titled "Media Experience Summary" is to be provided.

MEDIA EXPERIENCE:

- a) The Vendor must provide a brief history of the Vendor including, but not limited to, its founding date, number of years in business, business organization and number of employees in Iowa for the previous three (3) fiscal years.
- b) The Vendor must provide its total gross annual billings in Iowa for the Vendor's three (3) previous fiscal years and the amount of annual billings by type of media or service (television, radio, print, outdoor, digital, social, etc.).
- c) The Vendor must list its top five (5) accounts (excluding Lottery) over the Vendor's previous three (3) fiscal years. For each account, the Vendor must describe the scope of services provided, the approximate gross billings and the name and telephone number of a contact person. If client confidentiality prevents billing disclosure, the Vendor must identify where the Lottery's expected billings would rank among the Vendor's top five (5) accounts.

- d) The Vendor must list any major client lost during the Vendor's past three (3) or current fiscal years and provide a brief rationale why the account was lost.
- e) The Vendor must identify the volume of new accounts that have been obtained or retained within the Vendor's last three (3) fiscal years.
- f) The Vendor must provide media references from three (3) sources during the Vendor's past three (3) fiscal years. Include the contact name, telephone number and e-mail address if available.
- g) The Vendor must provide a detailed organizational chart and bios of all key staff members that are anticipated to be assigned to the Lottery account and the percentage of time each person is expected to work on the account. The Vendor must indicate the number of staff available for media purchases during a heavy buy period. The Vendor must also briefly describe the roles its chief executive officer, media director and director of account services will play in servicing the Lottery account.
- h) The Vendor must describe the basic functions of the Account Services staff to help plan, create and coordinate projects with the Lottery.
- i) The Vendor must explain reporting procedures and show examples of analysis done for a large client to include use of analytics, segmentation, and artificial intelligence where applicable. If client confidentiality prevents full reporting disclosure, the Vendor must identify samples that show the level of detail the Lottery could expect.
- j) The Vendor must describe what the Vendor believes should be the client's responsibilities and what should be the Vendor's responsibilities in developing and maintaining successful working relationships and in identifying and achieving measurable goals.
- k) The Vendor must describe its Media Department staff and their abilities in media planning, buying and monitoring and analyzing results. The Vendor must describe and explain the manner in which additional media value has been obtained for a client and provide examples showing the scope of such additional, non-paid media value.
- l) The Vendor must describe how it can fulfill the production needs of the Lottery in a cost effective manner across all media platforms, including traditional television, radio and outdoor as well as digital and social.
- m) The Vendor must describe how it can help the Lottery in any public relations planning or idea implementation.
- n) The Vendor must briefly describe a problem or opportunity that the Vendor uncovered through research for a client and how the Vendor adapted the creative strategy or creative development to take advantage of this research finding.
- o) The Vendor must briefly describe an actual sponsorship Proposal, event Proposal or promotional media opportunity that the Vendor reviewed and evaluated for its cost/benefit value for a client and outline the major evaluation processes that the Vendor utilized to prepare such an evaluation.
- p) The Vendor must provide a summary outlining its resources, capabilities and strengths to fully service the Lottery account and perform the services required. The goal is for the Lottery to learn how the Vendor's philosophy and structure shall provide a "uniqueness" perhaps not seen in other Vendors. The summary shall be limited to one page in length.

4.4 Financial Data

RESPONSE NOTE: Mandatory - Full

The Vendor must provide copies of audited or reviewed financial statements and auditor's reports for its three (3) most recent Vendor fiscal periods with a minimum of one fiscal year being reviewed by an external CPA. The Lottery reserves the right to require any additional information necessary to determine the financial integrity and responsibility of the Vendor. Successful Vendor(s) shall be required to submit financial statements reviewed by an external CPA annually to the Lottery.

4.5 Disclosure of Litigation and Business Relationships

RESPONSE NOTE: Mandatory - Full

The Lottery has a strong interest in the Vendor's current and continuing ability to produce secure, high-

quality products and/or services. The Vendor must include a complete disclosure of any previous (within the Vendor's last three (3) fiscal years) or pending civil or criminal litigation, administrative or regulatory proceedings or indictment involving the Vendor that may affect the ability to produce and/or deliver the desired products and/or services. The Vendor must also disclose any such pending litigation for any of its employees or subcontractors.

The Vendor must state whether owners (unless a public company), officers or primary partners have ever been convicted of a criminal offense. The Vendor may also be required to identify employees or subcontractors working on their account that have been convicted of a criminal offense. The Vendor must also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members or subcontractors if the subcontractor comprises at least 25% of the financial quotation of the Vendor's submission.

The Vendor must also declare any ongoing business relationships with any Lottery employee, director or any other person or organization associated with the Lottery. The Lottery will reject a Vendor's Proposal or terminate any subsequent Contract for failure to disclose any such relationship.

This is a continuing disclosure requirement. Any such matter commenced after the Vendor has submitted a Proposal in response to the RFP 23-02 and with respect to the successful Vendor after the execution of a Contract must be disclosed to the Lottery in writing within ten (10) calendar days after it has been filed or upon establishing the relationship. The Lottery may disqualify a Proposal if failure to disclose has had a material impact on competition or, otherwise, prejudices the procurement process.

4.6 Subcontractors

RESPONSE NOTE: Mandatory - Full

For any subcontractor that will provide a major part of the services (25% or more) required to be provided under the RFP, the Vendor must disclose all of the information required by Section 4.3. (Applicable Experience) for such subcontractor(s) as if the subcontractor(s) was/were the Contractor.

4.7 Conflict of Interest

RESPONSE NOTE: Mandatory - Full

A conflict of interest may exist whether or not a financial interest is involved and a conflict of interest may include, but would not be limited to, a director, officer, employee, retailer or existing contractor of the Lottery or any member of his/her immediate family having control or a significant influence over the Vendor or obtaining financial gain with the award of any Contract to the Vendor.

The Vendor must disclose in its Proposal the nature and extent of any real or apparent conflict of interest that would arise from the award of a Contract to the Vendor. The Vendor must give written notice of the cause and circumstances of any conflict of interest and indicate the portion of the services affected by the conflict of interest.

The Vendor must disclose the following information by either providing the information requested or by confirming that they have read the request and declare that it is not applicable. The Lottery will terminate the Contract or disqualify the Proposal for failure to disclose any such information.

- a) List any conflict of interest with the products, promotions and goals contemplated by the Lottery that could result from other projects in which the Vendor or any of its staff members designated to work on this project are involved.
- b) The name, contact details and current position title of any Lottery employee, director or any other person being associated with the Lottery or any member of the evaluation committee (if known) having any direct or indirect affiliation with the Vendor.
- c) The name, title and affiliation with the Vendor of any Lottery employee, director or any other

person or organization being associated with the Lottery or any member of the evaluation committee and who owns, directly or indirectly, an interest of 5% or more in the Vendor's company or any of its branches or affiliates.

d) The name, title and affiliation to the Vendor of any employee, agent, lobbyist, previous employee of the Lottery or other person who has received or will receive compensation of any kind in connection with this procurement.

e) Identify any clients or potential clients for which you have previously performed services that have a gaming or anti-gaming message during the past five (5) years. If you are currently working with a casino or anti-gaming client, you will be deemed to have an inherent conflict with the interests of the Iowa Lottery. The Proposal will be deemed noncompliant and disqualified unless the Vendor is willing to end the contractual relationship with the client in favor of the Iowa Lottery should it be selected. The Vendor must state its willingness to end the contractual relationship with the client in its written Proposal.

4.8 Compliance with the Law and Regulations

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when performing within the scope of the Contract. This includes without limitation, all laws applicable to the prevention of discrimination in employment, EEO and affirmative action practices, laws relating to prevailing wages, occupational safety and health standards, payment of taxes, gift laws, lobbying laws, laws dealing with the manufacture and transportation of gambling related materials and laws relating to the use of targeted small businesses as subcontractors or suppliers.

5 Pricing

5.1 Introduction

RESPONSE NOTE: Mandatory Vendor Acceptance

The Vendor's Price Proposal must contain all of the information requested in this section.

5.2 Price Proposal Requirements

RESPONSE NOTE: Mandatory Vendor Acceptance

The Price Proposal must be complete and include costs for:

1. Monthly Reporting Meetings
2. Access to Dashboard Reporting
3. Regular Touch Base Meetings
4. Media Planning & Strategy
5. Media Buying & Placement
6. Media Review & Analysis

The Lottery will reject a Price Proposal that does not provide all of the mandatory information requested above. Price Proposals must be placed within a sealed envelope that has been clearly identified as the "Price Proposal." Additional copies of the Price Proposal are not required.

5.3 Pricing Format

RESPONSE NOTE: Mandatory - Full

The Lottery requests a proposed base monthly fee to include:

- Access to a real-time reporting dashboard for designated Lottery staff
- Once a month reporting meetings (1-2 hours), as requested in advance, where data and results of ongoing campaigns are reviewed and any change actions are identified by vendor
- Bi-weekly touch base meetings of 30 minutes to review progress
- Once a month planning meetings (1-2 hours) for concepting new campaigns, as requested

The Lottery requests a proposed percentage cost structure for media placed by campaign to cover media planning and buying outside of the above monthly fee. Average media placement costs to consider would be approximately \$1,000,000 per quarter.

In addition to the above price model, Vendors may also provide a fee-based quote for a monthly cost to the Lottery. Meetings mentioned above can be in-person where possible, and virtual as needed.

5.4 Consumer Price Index (CPI) Contract Options

RESPONSE NOTE: Mandatory - Full

The Vendor(s) must provide the CPI markup percent as described in this section. The initial contract period will be July 1, 2023 through June 30, 2025. The contract may extend for up to four additional one-year periods. Each contract extension will allow for adjustment of the Successful Vendor's price during any option period based on the lesser of a 5% increase or a percentage of the change in the National All Urban Consumer Price Index for the "all items" classification. The new price will be effective for all services performed after June 30, 2025. The Vendors are required to complete this section even if the future increase in price is to be 0 percent. The Lottery will not allow a percentage greater than 100 percent.

Vendor CPI Markup_____Percent

For example, if the Vendor fee is \$100, the CPI increase is 6 percent and the Vendor bids a 100 percent markup, then the new fee will be \$105 as the 5% maximum would be lower than the 6% CPI. Conversely, if the Vendor bids 50 percent markup then the new fee will be \$102.50, as this would be lower than the 5% maximum.

The CPI is an annual rate determined by the U.S. Department of Labor. The change will be computed from May to May of the following year. The CPI markup is not applicable to percentage payments based on media placement costs, as those percentages will increase as media spend increases.

The CPI markup percentage would be applicable for all contract extensions. The Lottery will not accept CPI markup percentage Proposals that vary by year.

5.5 Pricing of Options

RESPONSE NOTE: Mandatory - Full

The Vendor must separately state in its Price Proposal any services that are not included in the fees stated in section 5.3.

6 EVALUATION OF PROPOSALS

6.1 Introduction

RESPONSE NOTE: Mandatory Vendor Acceptance

This section describes the evaluation process that will be used to determine which Proposal provides the greatest overall benefits to the Lottery. The objective of the evaluation process is to select the Vendor that can provide media planning, buying and reporting services that best meet the needs of the Lottery as set forth in the RFP 23-02. For example, a Proposal that meets the requirements with the lowest price may not be selected, if in the Lottery's judgment a higher-priced Proposal offers greater overall value to the Lottery. The closer Proposals are in technical merit, the more likely price is a factor in the final award decision.

6.2 Evaluation Committee

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery will conduct a comprehensive, fair and impartial evaluation of Proposals received in response to the RFP 23-02. In making this determination, the Lottery will be represented by an Evaluation Committee. The Evaluation Committee will evaluate each Proposal that is properly submitted based on the information and material contained in that Proposal and make recommendations for a Contract award to the Lottery CEO and Lottery Board.

No other information, other than information in a Proposal, information obtained under Section 1.24, Section 6.3, or Section 6.4 will be accepted or used for evaluation by the evaluation committee.

The final award decision will be made by the Lottery Board. The Lottery Board may accept or reject the recommendation of the Evaluation Committee.

6.3 Information from Other Sources

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery and the Evaluation Committee may obtain, from sources other than the Vendor, information concerning the Vendor, the Vendor's capabilities and the Vendor's performance under other contracts that the Lottery or the Evaluation Committee deems pertinent to the RFP 23-02 and may consider such information in its evaluation process.

Information obtained from such sources mentioned above will be kept confidential, unless required otherwise by law.

6.4 Finalist Selection Criteria

RESPONSE NOTE: Mandatory Vendor Acceptance

The Lottery will select up to four Vendors to be Finalists for in-person demonstrations and site visits as noted in 6.4 below. Minimum qualifications to be selected as a Finalist are at least 10 years of existence as a business entity (or Vendor principals possessing at least 10 years of relevant agency experience) providing media strategy, planning and buying services; proven experience across all media types including, but not limited to traditional TV and radio, streaming TV and radio, digital and social media; and at least 4 large corporate accounts that are similar in advertising spending size or larger than the proposed advertising spend for the Lottery.

6.5 Finalists' In-Person Demonstrations and Site Visits

RESPONSE NOTE: Mandatory Vendor Acceptance

Each Vendor selected as a Finalist is required to make an oral presentation to the Evaluation committee at the Vendor's place of business, or electronically via meeting where travel is not feasible, and submit case studies and samples of work. The Vendor's oral presentation should show the Vendor's general ability to meet as many of the requirements of the RFP 23-02 as possible. The Lottery will not expect the Vendor(s) to have finished materials to be presented and will not score a presentation any higher based on the quality of the graphic or visual representations. Rough concepts or reporting samples projected via laptop onto a projector are acceptable. At a minimum, oral presentations should be made by the account personnel who will be assigned to the Lottery account. Specific instructions for the oral presentations will be distributed to the Vendors selected as finalists at the time they are notified by the Bid Coordinator that they are a finalist. Presentations will be limited to three (3) hours total, including question and answer session and a brief agency facility tour. A Vendor may not modify, alter or revise its Proposal in its presentation and must not include any price/cost information in its presentation. An attempt by a Vendor to modify, alter or revise its Proposal or to mention any price/cost information during its oral presentation may result in the disqualification of the Vendor's Proposal.

During the site visit the Vendor will have the opportunity to ask questions of the Lottery regarding the Lottery's business or operating structure of the Lottery industry. The Lottery will orally respond, to the best of its ability and knowledge to questions presented during a site visit. Remarks or explanations provided by the Lottery during a site visit shall not qualify the provisions of the RFP 23-02, unless the RFP is amended in writing. The Lottery will not be bound by any verbal answers given to a Vendor during a site visit.

The Vendor must provide an original hard copy and an electronic copy of their presentation plus any samples or reporting samples of work they submit to the Lottery.

6.6 Evaluation

RESPONSE NOTE: Mandatory Vendor Acceptance

The evaluation process and Contract award process will consist of the following:

- Site Visit and Presentation from Invited Finalists
Based on the review by the Evaluation Committee, Vendors will be designated as Finalists. Only Vendors selected as a Finalist will be subject to further review by the Evaluation Committee. Each Finalist will be required to make an oral presentation and submit case studies and samples of work to the Lottery. The Lottery will also conduct a site visit of each finalist. The Evaluation Committee will evaluate the Vendor's oral presentation, samples of work, and may revise its scores based on the samples of work or from information obtained during a site visit or oral presentation.
- Review and Evaluation of Price Proposal submitted by each Finalist Vendor.
- Evaluation Committee Recommendation.
- Final Decision on Contract Award Recommendation.

6.7 Evaluation of Technical Proposals

RESPONSE NOTE: Mandatory Vendor Acceptance

Each of the technical (non-price) factors in the RFP will be evaluated by the Evaluation Committee for each of the Finalists. Responses will be rated on the following:

Evaluation Criteria	Maximum Available Points
Vendor Experience	150 Points
Strategic & Account Management Capabilities	150 Points
Tactical Media Services Capabilities	150 Points
Vendor Presentation	150 Points
Work and Reporting Samples	100
Price	300
Total Points Possible =	1,000

Vendor Experience refers to the overall experience of the Vendor and its account/management team that is assigned to the Lottery account. Criteria that will be used to evaluate Vendor Experience include:

- Number of years in business, gross annual billings
- Types and number of clients and success to drive client’s business to higher sales levels
- Strategic knowledge and media planning and buying experience.
- Retail marketing knowledge and experience
- Media placement knowledge and experience
- Expertise of agency members assigned to the Lottery account
- Experience placing and monitoring media across all types of media including but not limited to TV, radio, streaming, digital-social media, etc.
- Experience utilizing artificial intelligence and media planning/buying platforms or tools.

Strategic & Account Management capabilities refers to the Vendor’s resources and services available for the Lottery account to assist the planning overall strategic efforts as well as analyzing and assessing media efforts in order to best utilize media and media resources. The criteria that will be used to evaluate Strategic & Account Management capabilities include:

- Media planning expertise
- Strategic planning capabilities
- Proven track record in identifying and utilizing media that best matches strategic goals of marketing efforts
- Proven track record in maximizing returns with media placement budgets
- Media analysis expertise, focused on assessing the effectiveness of a particular marketing/promotion campaign, specific media channels utilized as well as, the ability to assess the overall optimal media mix at the campaign level and overall for the Lottery.
- Strong monthly, promotion and ad hoc reporting capabilities with a focus on delivering on key performance indicators

Tactical Media Services Capabilities refers to the Vendor’s day-to-day expertise and related experience in order to execute media buying for the Lottery. The criteria that will be used to evaluate Tactical Media Services capabilities include:

- Consumer products experience of agency staff
- Sales and retail planning capabilities

- Abilities and experience in expanding consumer markets
- Media placement/buying knowledge capabilities specific to Iowa
- Media placement/buying knowledge capabilities outside of Iowa
- Capabilities and experience to integrate traditional, streaming, digital and other media
- Number of agency members assigned to the Lottery account

6.8 Evaluation of Price Proposals

RESPONSE NOTE: Mandatory Vendor Acceptance

Review of the price Proposals will take place only after review of the Vendor's Technical Proposal and after the completion of all site visits, oral presentations and review of completed case studies and samples of work for the finalists. Up to three hundred (300) points for price, based on a ratio of the Proposal being evaluated versus the lowest- cost acceptable Proposal. The formula for any particular Proposal being evaluated is:

$$\text{PRICE POINTS} = 300 \times (\text{LOWEST COST} / \text{PROPOSAL COST})$$

Under this formula, the lowest cost acceptable Proposal receives all three hundred (300) available points for price. A Proposal twice as expensive as the lowest cost acceptable Proposal earns half as many, or one hundred fifty (150) price points.

The Lottery reserves the right to request Best & Final offers by the Vendors. The Lottery reserves the right to select the number of Vendors for the Best & Final offer. The evaluation scores may be revised as a result of the Best & Final offer.

6.9 Negotiation and Recommendation

RESPONSE NOTE: Mandatory Vendor Acceptance

After review and approval of the recommendation of the Evaluation Committee by the Lottery Board, the Lottery will begin to negotiate a Contract with the Successful Vendor(s) that has been recommended by the Evaluation Committee. Contract negotiations will not address changes to material terms and conditions, services, products, options or pricing for performance of the Contract unless for the clear benefit of the Lottery. The Successful Vendor(s) will be held to the terms submitted in their Proposal, but may be required to reduce costs depending upon aspects of the proposed program that may be determined by the Lottery to be unnecessary or not cost effective.

First consideration will be given to the Vendor with the highest total points. In the event that contract negotiations are unsuccessful, the Vendor with the next highest number of points will be selected for consideration.

APPENDIX A -

PROPOSAL COMPLIANCE AND CERTIFICATION STATEMENT

I certify that the contents of the Bid Proposal are true and accurate. I also certify that no false statements have knowingly been made in this Bid Proposal.

Certification of Independence

By submitting a Bid Proposal in response to this RFP 23-02, I certify the following:

1. The Bid Proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the Lottery who has worked on the development of this RFP 23-02, or with any person serving as a member of the evaluation committee.
2. The Bid Proposal has been developed independently, without consultation, communication or agreement with any other Vendor or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the Bid Proposal has not been knowingly disclosed and will not be knowingly disclosed prior to the award of the contract, directly or indirectly, to any other Vendor.
4. No attempt has been made or will be made to induce any other Vendor to submit or not to submit a Bid Proposal for the purpose of restricting competition.
5. No relationship exists or will exist during the contract period between the Vendor and the Lottery that interferes with fair competition or as a conflict of interest.

Certification Regarding Debarment

6. I certify that, to the best of my knowledge, the Contractor/Company (shown in signature box) and all of its principals: (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal Agency or State Agency; (b) have not within a ten-year period preceding this Bid Proposal been convicted of, or had a civil judgment rendered against them for commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes or commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are not presently indicted for or other criminally or civilly charged by a government entity (federal, state, or local) with the commission of any of the offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this Bid Proposal had one or more public transactions (federal, state, or local) terminated for cause.

This certification is a material representation of fact upon which the Lottery has relied upon when this transaction was entered into. If it is later determined that the undersigned knowingly rendered an erroneous certification, in addition to other remedies available, the Lottery may pursue available remedies including suspension, debarment, or termination of the contract.

Certification Regarding Registration, Collection, and Remission of Sales and Use Tax

7. Pursuant to Iowa Code sections 423.2(10) & 423.5(8) (2011) a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under Iowa Code chapter 423 on all sales of tangible personal property and enumerated services. The Act also requires Contractors to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a Bid Proposal the undersigned certifies the following: (check the applicable box)

_____ is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by Iowa Code chapter 432; or

_____ is not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in Iowa Code subsections 423.1(42) & (43).

By submitting a Bid Proposal and signing this statement, Contractor indicates understanding and acknowledges that the Lottery may declare the bid or resulting contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Lottery or its representative filing for damages for breach of contract.

I have the authority to bind the Contractor indicated below to the specific terms and conditions and technical specifications required in this RFP 23-02 and offered in the Bid Proposal.

Business Name:	
Authorized Signature:	
Printed Name:	
Title:	
Date:	

APPENDIX B –

SCOPE OF SERVICES

This Appendix describes the minimum requirements that Vendor(s) will be required to provide to the Lottery for media planning, buying and analysis.

B1 General Information

The Vendor(s) will be responsible for collaborating with the Lottery marketing team, supporting the marketing strategy and assisting in formation of a media plan for requested promotions, game launches or efforts as designated by the Lottery. The Vendor is expected to provide expertise in strategic planning, media planning and buying, trafficking and placement of materials, and ability to hire or manage production, personnel, and/or subcontractors. The Vendor(s) will work in tandem with various Lottery marketing staff members and any other requested entities, such as creative agencies, gaming vendors or partners to the Lottery, to assist in planning, designing, and execution of the Lottery's marketing activities.

General information regarding the Lottery can be found at the Lottery's website at www.ialottery.com

The determination of how and when advertising and promotion funds are spent rests with Lottery management. While a significant majority of the Lottery's budget for advertising and promotion is generally expended through the Vendor, this is not a mandatory arrangement and there will be a portion of the budget each year that does not go through the Vendor(s).

It is incumbent upon the Vendor(s) to develop campaigns, promotions and media plans that, in the view of the Lottery, warrant the expenditure of funds. In fiscal year 2022, the Lottery generated total sales of \$432,663,769. Advertising production and media purchases were \$8,393,217, or 1.94% of total sales. A breakout of the advertising and media purchase categories for fiscal year 2022 will be presented at the Mandatory Vendor Briefing to be held at 10:30a.m. on April 18, 2023.

The allocation of marketing/advertising expenditures is subject to change depending on the Lottery's market strategies, requirements and needs during any given Lottery fiscal year. In past years the Lottery has implemented programs involving the following strategies and activities:

- | | |
|---------------------------------|---------------------------------|
| - second- chance drawings | - new game introductions |
| - coupon promotions | - sports/event sponsorships |
| - product enhancement campaigns | - proceeds messages |
| - retailer incentives | - product maintenance campaigns |
| - winner awareness campaigns | - jackpot awareness activities |
| - seasonal campaigns | - VIP club promotions |

The Lottery reserves the option to modify strategy or budget allocations as the market warrants and in response to changes to legislative directives. The Lottery shall always retain final authority for determining allocations of funds, strategies, plans, campaigns, etc.

B2 Work and Deliverables

The Vendor(s) must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

Marketing

- Provide assistance in the development of the Lottery's marketing plans and estimated budgets.
- Assist the Lottery with marketing, promotion, and advertising decisions.
- Utilize Lottery's research information to identify and evaluate market and sales development opportunities.

Account Management

- Provide account management that is proactive and possesses the flexibility to change strategies as business conditions/situations warrant.
- Regular status meetings and project tracking

Media

- Plan and execute statewide broadcast, cable, radio, digital and social media advertising buys according to a strategic media plan targeted toward specific audiences. Outdoor and print advertising included at the Lottery's discretion.
- Effectively negotiate bonus spots and promotional opportunities with media outlets to support lottery marketing and public relations initiatives.
- Promptly place various advertising for lotto game jackpot alerts as requested.
- Demonstrate ability to produce maximum effectiveness for each dollar expended, optimal reach and frequency, and evaluate media use and placement for the post-buy analysis using leading industry research tools and technology. Detailed requirements for post-buy analysis shall be provided to the Vendor.
- Provide ongoing ratings, programming research and marketing consulting services.
- The Vendor(s) must meet with the Lottery for direction and to discuss the specifics of each project to be undertaken.
- The Vendor shall not begin any work on any project before the Lottery has given formal approval and a work/expense authorization/purchase order has been issued and signed (refer to Section 3.44).
- No later than two weeks prior to a quarterly media buy, the Vendor shall provide copies of the negotiated buy (including value-added opportunities submitted by stations free of charge) to the Lottery.

Production

- Responsible for the timeliness and quality of production of marketing, advertising and promotion materials including, but not limited to, point-of-sale materials, collateral, and advertising specialty items.
- Direct and coordinate television and radio production and review all aspects including budgets, casting, music, and special effects with the Lottery. Responsible for film shooting, recording, editing, and post-production. Deliver both rough cuts and finished spots to the Lottery for final approval with sufficient time allowed for necessary changes, if required.
- The Vendor shall make it a priority, as practicable, to utilize Iowa-based companies for production of advertisements, facilities, staff and talent as described in Section 3.43.

Traffic

- Utilize and maintain a secure Internet-based asset management solution to view and transfer files between the Vendor, the Lottery, and other Lottery vendors.
- Distribute all approved advertising materials, with appropriate traffic instructions, to media vendors in time to meet program deadlines. Send the Lottery a weekly checklist summarizing all media traffic instructions.

B3 Use of Subcontractors

During the course of this Contract, situations may arise where the Vendor(s) may not possess the experience and expertise necessary to effectively carry out a project. The Lottery expects that, in those instances, the Vendor(s) will propose, or the Vendor(s) and the Lottery will jointly identify subcontractors as needed to creatively develop and oversee production of certain special programs or projects (refer to Section 3.13).

In some instances, the Vendor(s) will maintain a managerial role and retain direct oversight and responsibility for the project subcontracted (refer to Section 3.9). In other instances, the Lottery will maintain the managerial role with the subcontractor. In instances where the Lottery maintains direct management of a project, the Vendor(s) is expected to perform an administrative role, including but not limited to, project accounting and billing. These programs will be jointly identified and agreed upon as such prior to commencement of the project.

B4 Reports

The Vendor(s) must provide periodic status reports/presentations as may be requested by the Lottery. The Lottery reserves the right to request additional information reporting during the term of a resulting contract. The Vendor(s) must be capable of providing the reports listed in this section.

Vendor must submit performance reporting and post analysis reporting on all placements by promotion within 30-45 days. Included in this reporting should be well/better conversations on placements no later than two months following the end of each quarter, the Vendor must submit a post analysis report which compares any such schedule estimates against actual spot rotation deliveries (refer to Section 3.17). These summaries should be compiled by target group, by medium, by market, and showing a grand total. No-charge bonus spots or Public Service Announcement (PSA) schedules must also be summarized quarterly in the same way.

B5 VIP Club Plan

The Vendor may be requested to assist the Lottery in furthering the goals of the Lottery's VIP club for each fiscal year including the use of a customer relationship manager software and using the reporting capabilities to assist with media planning and buying.

B6 Promotions

The Vendor may be requested to provide evaluative and negotiation assistance to the Lottery relating to events, sponsorships and promotional advertising.

B7 Accounting

The Vendor(s) shall be required to maintain accounting records according to Section 3.15 and agree to additional audits as described in Section 3.16.

The Vendor(s) must be capable of providing all invoices for services, reports, or other documentation to the Lottery in electronic format, such as a delimited.txt, .csv or other delimited flat file.

The Vendor must provide the Lottery with an estimate for media purchases by promotion before approval as well as a quarterly media projected total. The Vendor should recommend ways to generate cost savings wherever possible including, but not limited to, making the Lottery aware of any cost savings that might be achieved by the expedited payment of media or other invoices.

The Vendor must maintain financial and accounting records and evidence pertaining to expenditures related to the Lottery account (refer to Section 3.15). Such records will be subject to audit (refer to Section 3.16). The Vendor must have a cost accounting or similar system that will allow the Vendor to track the hours worked on the lottery account and to reconcile billings on a yearly basis. The Vendor must provide experienced accounting staff support to implement timely and accurate records and billings to meet the Lottery expectations.

B8 Conferences and Meetings

The Vendor must 1) facilitate, at minimum, bi-weekly status meetings with the Lottery's representative, 2) attend select meetings with the Lottery's Marketing Division, 3) visit lottery retailers, 4) and attend

promotional meetings with media representatives.

The Vendor must participate in selected industry conferences and Lottery sales, marketing, communications and research meetings to keep informed of industry trends and internal Lottery affairs.

B9 Schedules

The Vendor must adhere to schedules that may be adopted by the Lottery and other vendors. The Vendor(s) must ensure that all materials are completed in advance of the start of a lottery game or campaign. All materials to be distributed or commercials to be placed must be approved by designated Lottery management prior to distribution and placement.

B11 Public Relations

The Vendor may be requested to provide public relations/communications consultation and advice to the Lottery and assist the Lottery in the development of key public relations initiatives as needed. The Vendor may be requested to assist the Lottery in drafting news releases and advising the Lottery regarding media relations.

APPENDIX C -

IOWA LOTTERY ADVERTISING STANDARDS

The purpose of this Advertising Policy is to outline the standards by which the Iowa Lottery conducts its advertising.

Messages

The Iowa Lottery is committed to marketing its products in a socially responsible manner. The lottery places high value on providing the public with information about its games and operations.

Initiatives that receive lottery advertising support will include sales of scratch, pull-tab, lotto and InstaPlay games, player promotions, winner awareness, player security, responsible play and proceeds messages.

Iowa Lottery advertising should provide information on the entertainment aspect of playing lottery games. Advertising must never make false promises, should not dwell solely on winning, and should not encourage Iowans to play excessively or beyond their means. Advertisements will not promote lottery play as an alternative to work or as a way to relieve personal financial difficulties.

The Iowa Lottery's messages will not degrade the image or status of a person based on gender, age, race, religion or socioeconomic group. They will not contain inappropriate language, images or actions. They will not focus on anyone who is (or appears to be) below the legal age in Iowa to participate in lottery games.

Illustrations in ticket designs and marketing materials, and animation used in advertising, will be reviewed to ensure that characters are not similar to those in children's programs.

The Iowa Lottery's messages will focus on the experiences of real winners and place less emphasis on hypothetically winning.

Placement

Precautions will be taken to keep lottery advertising away from children whenever reasonable and possible. It will not be placed with media outlets or programs that are specifically oriented to minors. If the audience composition shows that more than 50 percent of the projected audience is under age 18, ads will not be purchased on that TV program, radio station or online platform.

The Iowa Lottery will avoid placement of commercials in programs of a controversial or sensational nature. Religious and partisan politics programming will not be purchased. Ads will not be placed in programming that portrays excessive gambling or a preoccupation with gambling. General Media Buying Rule: "If in doubt, leave it out."

The Iowa Lottery will pursue use of emerging technology to extend the reach of its messages to populations underserved by traditional media outlets. This will include, but is not limited to, social media channels.

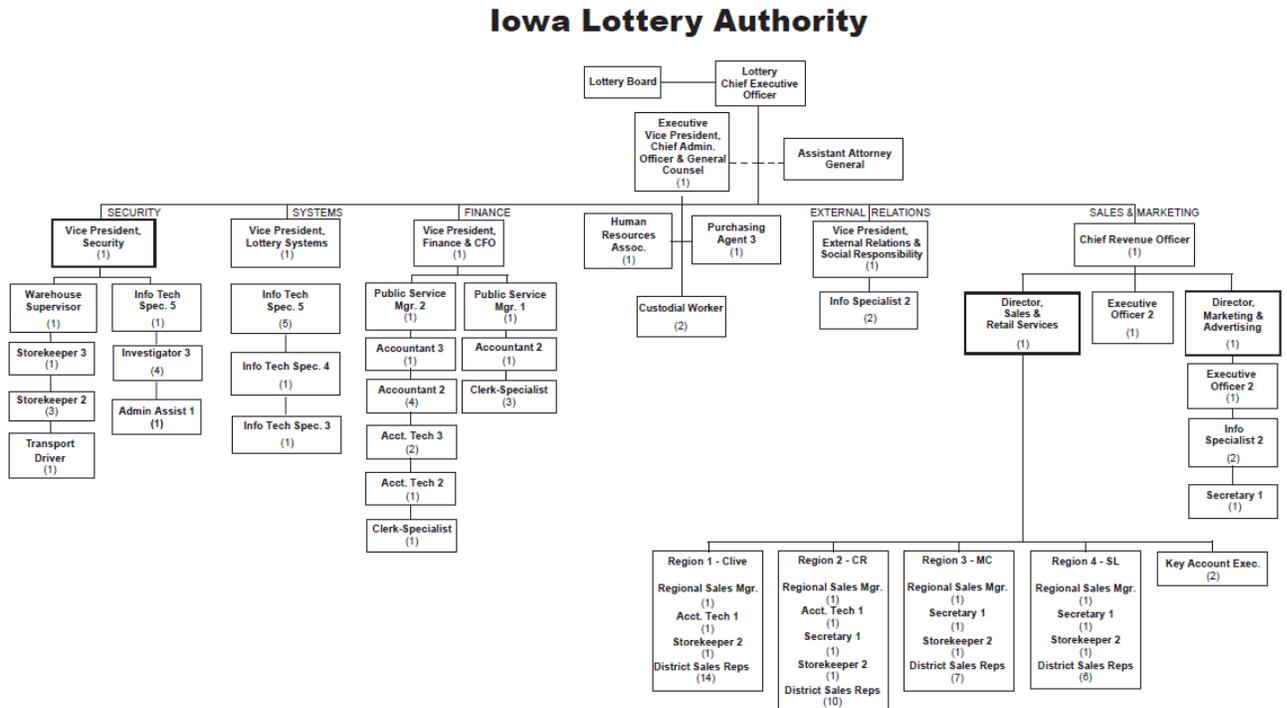
During periods of high jackpots in its games, the Iowa Lottery will deploy public information and advertising to remind players not to become overly emotional and to play responsibly.

The Iowa Lottery requests maximum separation from broadcast and cable commercials for:

- Other gaming entities (i.e. casinos, riverboats, neighboring state lotteries)
- Anti-gaming advertisers (i.e. 1-800-BETSOFF)
- Credit counseling companies (i.e. Consumer Credit Counseling)

APPENDIX D -

IOWA LOTTERY ORGANIZATION CHART



APPENDIX E -

PUBLIC INFORMATION DIRECTORY

Several documents that provide background information on the Iowa Lottery can be found at www.ialottery.com. This includes, but is not limited to, the following:

- Annual Reports from 2018 - 2022
- Monthly Financial Reports 2020 – Present
- Outside Vendor Payment Reports 2020 – Present
- Annual Audit Reports 2018 – 2022
- Vendor Information
- Iowa Lottery History
- Lottery CEO and Board Member Profiles
- Game Information
- Winning Numbers and Current Estimated Jackpots
- Promotion Information
- Winners 2021 - Present
- VIP Club Information
- How To Play Videos
- LotteryPlus Mobile App
- Links to Social Platforms

Under the “Press Room” section at the top right of the homepage you can locate the latest news announcements about winners, product introductions, games and other information. Lists of Big Winners and Iowa’s Millionaires are located in the Press Room, as well as information on Where The Money Goes. There are Iowa Lottery logos and images available for you, plus a Lottery Fact Book which provides information about the Iowa Lottery from its start in 1985 to the present.

In the “Legal” section at the top right of the homepage you will find administrative rules, statutes, board meeting details, information on public hearings, a summary of open record requests and more.

Under the “For Vendors” section at the top right of the homepage, details are provided on purchase opportunities, plus the terms and conditions used for goods and service contracts and required forms. Updates regarding this RFP will be made available in the For Vendors section on the website.

APPENDIX F -

CASE STUDIES AND SAMPLES OF WORK

Those Vendors selected as finalists will be required to provide the following. Please review the information listed below to learn the requirements for this phase of the RFP.

MEDIA CASE STUDY AND WORK SAMPLE

Core Capabilities:

- 1) Describe your approach for determining which technologies or platforms enable you to optimize targeting in a multi-channel campaign. Which are in-house, and which are outsourced?
- 2) List the top three distinguishing attributes of your media planning and buying approach and team.

Approach to Media Planning and Buying:

- 1) Describe your planning methodology and provide insight into your process for buying, monitoring, optimizing, analyzing and reporting across all channels.
- 2) Describe your digital credentials, and provide an example that illustrates your most innovative digital campaign.
- 3) Describe your process for reviewing sponsorship/event proposals and promotional media opportunities, including (but not limited to) added-value programs. Summarize the strategic insights that drive your recommendations and outline how you measure results and ROI.
- 4) Describe a case where your task was to support frequent, fast-paced retail activity and explain how you optimized efficiency while maintaining high creative standards.

Measurement and Reporting:

- 1) Show a breakout of total media your firm placed across the following channels in the past two years.

2022 Media Type	Gross Billings	Percent of Total
Television/Cable – Iowa DMA's		
Television/Cable - Out of State		
Streaming TV - Iowa		
Streaming TV - Out of State		
Broadcast Radio – Iowa DMA's		
Broadcast Radio - Out of State		
Streaming Radio – Iowa		
Stream Radio - Out of State		
Programmatic Display - Iowa		
Digital & Social Media - Iowa		
Digital & Social Media - Out of State		
OOH – Billboards - Iowa		
Newspaper – Iowa		
Magazines/Trade Pubs – Iowa		
Other		
Total Gross Billings:		100%

2021 Media Type	Gross Billings	Percent of Total
Television/Cable – Iowa DMA's		
Television/Cable - Out of State		

Streaming TV - Iowa		
Streaming TV - Out of State		
Broadcast Radio – Iowa DMA's		
Broadcast Radio - Out of State		
Streaming Radio – Iowa		
Stream Radio - Out of State		
Programmatic Display - Iowa		
Digital & Social Media - Iowa		
Digital & Social Media - Out of State		
OOH – Billboards - Iowa		
Newspaper – Iowa		
Magazines/Trade Pubs – Iowa		
Other		
Total Gross Billings:		100%

- 2) Describe your standard measurement process and technology that assists in setup, execution, and optimization.
- 3) Provide a description of the reporting process you would provide this client.

Media Work Sample:

Provide a summary of one comprehensive, statewide media plan that your firm executed in 2022. The plan should include information on the target audience, media selected, stations used, number of commercials by media type, and total cost. (The plan must have included TV, digital, social and radio components.) Include information on how the plan maximized media cost efficiencies and an evaluation of results. The summary should not exceed two pages. Samples must be accessible using a computer drive, Windows Media Player, Adobe Acrobat Reader, or the Windows suite of products.