



Request for Proposals

For

Advertising Services

For the

Minnesota State Lottery

Date: December 11, 2023

Minnesota's Commitment to Diversity and Inclusion

The State of Minnesota is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to www.mmd.admin.state.mn.us/mn02001.htm.

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1. Introductory Letter to Prospective Partners

Dear Prospective Partners,

The Minnesota Lottery creates and sells products that encourage Minnesotans to experience the fun, thrill, and excitement of gaming while knowing their entertainment dollars are supporting their community and the environment.

Our brand awareness and appeal are dependent on innovative, breakthrough advertising that supports responsible gaming across a wide range of Minnesota adult audiences.

The Minnesota Lottery has made great progress in defining our brand. We have an established tag-line – “I’MN” (pronounced “I’m IN”), defined target markets, and a very concise brand-book that guides our advertising, promotions, and overall communications. We are soliciting proposals from prospective agencies to build on our existing advertising and branding efforts to expand our player base to new lottery players. In preparation for the expiration of our existing contract, we will begin an open and competitive proposal process as described in this RFP.

We place a very high value on our agency partnership and want a team that can provide thought leadership to the Lottery. We continue to make great strides in expanding our current player base by reaching a younger adult demographic. We recognize that the advertising landscape is constantly changing and are open to new strategies, but we are focused on digital, experiential, social, and event marketing. We will continue to develop strategic TV, radio, and outdoor campaigns, but we also look to explore new strategy directions.

We encourage you to review the RFP and determine if our account is a fit for your agency. In accordance with the RFP, please direct any questions to Kolby Sabrina at kolby.sabrina@mnlottery.com.

We look forward to your response.

Sincerely,

Adam Prock
Executive Director
Minnesota Lottery

2. Lottery Background Information

The Minnesota State Lottery, in operation since 1990, invests approximately \$8,200,000 annually to drive awareness, favorability, and purchase intent among potential lottery players. Twenty-four percent of Lottery sales are generated for the State of Minnesota each year, representing a major source of funding for the State and for important environmental causes as detailed on mnlottery.com/playing-our-part.

To continue this funding for state programs, the Lottery needs to ensure that the marketing investment is spent strategically and is continually optimized for efficient performance. Our agency partner is key to achieving our goals and operates as an extension of our lean marketing department. Through this RFP process, the Lottery aims to find an agency or team of agencies who will provide leadership in strategic brand planning, creative content and planning, and media buying and optimization.

Lottery Key Marketing Challenges

The Lottery has made great strides in adding new players to our player base. The number of new Lottery players in the younger adult demographic segment (ages 25–44) has increased significantly in the last ten years as new media and retail patterns have emerged. For many in this target segment, the fundamental appeal of the product can be challenging as they have new entertainment options, do not regularly carry cash, are not entering Lottery retailers as often, have less opportunity to play and, in some cases, have a misaligned perception of Lottery players. At the same time, Lottery loyalists (ages 55+) are playing less as they retire and change routines. The Lottery needs to continue to increase awareness and purchase intent among younger adult consumers to keep filling the sales pipeline.

Accordingly, the Lottery has been progressively expanding non-traditional marketing channels (digital, social media, event marketing) and has made significant improvements in its digital footprint and relevant product portfolio. However, the Lottery faces a constant hurdle in reaching and influencing potential players in an increasingly fragmented media environment with limited marketing dollars. The Lottery needs to optimize its investment through precision targeting strategies in both owned and earned media, continual optimization, and relevant break-through content. The Lottery wants to work with a visionary and innovative team to create and test new strategies and creative platforms supported by strong strategic rationale.

Role for the Agency Team

Given these challenges, the Lottery seeks an agency (or agency team) that can take a leadership role and provide the following:

- Expertise and understanding of best practices for marketing to the emerging player segment (ages 25–44) that can be applied to development of relevant and innovative marketing and product strategies.

- Digital thought leadership and understanding of multi-channel interaction and consumer usage trends across both owned and earned channels.
- Maximum media buying efficiency based on sound data-based precision targeting and optimization techniques.
- Holistic support and integration across channels and disciplines in development of comprehensive program deliverables: everything from strategic planning to ticket design.

The Lottery seeks an agency or team of agencies to serve as a true extension of its marketing department.

Key Qualifications

The ideal agency or agency team will be highly strategic across all channels with best-in-class digital acumen and experience and the ability to work in a fast-paced retail environment. They will be able to demonstrate their skills across all channels with a particular focus on video content for broadcast and social, radio, digital advertising, and programmatic media management and optimization.

General Lottery Information

General Information

General information regarding the Lottery can be found at www.mnlottery.com.

Marketing Division

The Lottery sales and marketing division contains two (2) divisions: marketing, including digital, research, and creative services (headed by the marketing manager); sales/retail relations (headed by the state sales manager.) The Lottery also has an in-house public affairs department.

Lottery Games

There are two (2) types of lottery games: lotto games and scratch games. Lotto games are printed by Lottery terminals located at retail stores. Scratch games are pre-printed tickets containing play data under a latex coating. Scratch games are developed primarily by the companies that produce/print the tickets for the Lottery, with guidance from Lottery game development staff. Some scratch games are designed internally by Lottery staff and the Lottery's advertising agency.

The Lottery currently conducts eight lotto games. Gopher 5[™], Pick 3[™], North 5[™] and Print-N-Play[®] games are conducted solely by the Minnesota State Lottery, while Powerball[®], Mega Millions[®], and Lotto America[®] are conducted in conjunction with the Multi-State Lottery Association (MUSL). The Lottery also offers the Minnesota Millionaire Raffle game for a limited time each year.

Last fiscal year, the Lottery introduced 48 new scratch games at price points from \$1 to \$50 per ticket, with approximately 27 games being available for sale at any one time. Information regarding the current Lottery scratch games may be found at mnlottery.com/games/scratch.

Lottery Sales/Financial Results

Total Lottery sales for Fiscal Year 2023 (ending June 30, 2023) were \$787 million. Of the \$787M, \$546M came from scratch ticket sales and \$241M from Lotto game sales. When compared to Fiscal Year 2022, total sales were up 6%. Sales by category for Fiscal Year 2023 were as follows:

Game	Approximate Sales
Scratch Games	69%
Lotto Games.....	31%
Powerball®	12%
Mega Millions®	8.4%
Pick 3	3%
Gopher 5.....	2%
Print-N-Play®	1%
North 5	1%
Lotto America®	2.3%
Minnesota Millionaire Raffle.....	1%

The Minnesota Lottery is on pace for another record year in FY2024.

Lottery Retailers

The Lottery currently contracts with approximately 3,000 retailers throughout the State to sell its lottery tickets. Lottery games provide both a competitive advantage and a revenue enhancement for Minnesota businesses.

Of the total number of Lottery retailers, 69% are convenience stores, 12% are supermarket/grocery stores, 9% are liquor stores, and the remaining 11% are miscellaneous retailers. Convenience stores account for 80% of tickets sold and supermarkets/grocery stores account for 13% of tickets sold. All other categories contribute 7% of sales.

Retailers are compensated by the Lottery with a commission of 5.5%-6% on sales and a 1.5% commission on ticket prizes redeemed at the store. In addition, retailers are eligible to receive additional compensation through incentive programs offered by the Lottery. Incentive programs include cash rewards of between \$500 to \$50,000 for selling a lotto game jackpot or a scratch ticket top prize.

Marketing Overview

Advertising/Marketing Goals

The overarching advertising goal is to responsibly promote Lottery products as a thrilling entertainment option for Minnesota adults. To accomplish this goal, the Lottery wants to achieve measurable results in the following areas:

- Increase sales of advertised products.
- Increase brand/campaign awareness.
- Increase overall Lottery sales in the 25–44 demographic.

- Increase quality consumer targeting and engagement as measured by mnlottery.com traffic (desktop & mobile), social community growth, interaction and sharing, online brand mentions, sweepstakes entries, publication requests, blog subscriptions, mobile app downloads and consistent usage, other miscellaneous website conversions, etc.
- Develop partnership opportunities to elevate the brand, attract new consumers, and/or generate additional sales.

Advertising

The Lottery's overarching brand advertising campaign is designed to position the Lottery as fun, entertaining, and uniquely Minnesotan. Current campaigns encourage Minnesotans to say "I'MN", take a chance (buy a lottery ticket), and see what results – whether it is experiencing the thrill of play or winning a cash prize. The Lottery also creates beneficiary advertising to generate awareness of how Lottery proceeds benefit Minnesotans. The Lottery faces competition from other discretionary forms of entertainment and products such as movies, gaming apps, beverages, casinos, and pull-tabs, so the Lottery must strive to maintain continual top-of-mind awareness.

The Lottery's advertising budget for Fiscal Year 2024 is approximately \$8.2 million. By statute, the Lottery may not expend more than 2.75% of its gross receipts (total Lottery ticket sales less the 6.5% in-lieu of sales tax) for the preparation, publication, and placement of advertising. For the purpose of this statutory budget limit, promotions and public relations are not considered advertising.

The Lottery's featured product calendar for Fiscal Year 2024 includes six (6) major, statewide campaigns for designated scratch or lotto products. Throughout the year, special products are chosen for advertising campaigns because they are connected to a high-value consumer promotion, are perceived to have incremental sales potential, or could attract new players. Additionally, there may be campaigns around brand awareness, responsible gambling, and beneficiary initiatives. Dollars are allocated for trigger ads when Powerball® and Mega Millions® jackpots go above a designated grand prize threshold.

Traditionally, the Lottery utilized a combination of television (broadcast, streaming, CTV) and radio (broadcast and streaming) as its primary advertising means to increase interest in its games and to build brand image. Outdoor media has played a role in the mix to display jackpot amounts and support major campaigns. The Lottery continues to adjust its advertising placement to better adapt to the digital world. Broadcast television will continue to be a part of our advertising mix but it is no longer the primary means of reaching new players. The Lottery wants to continue with social media campaigns, digital advertising, event marketing, content development, and PR to help us break through some of the major hurdles around traditional TV buys, namely the increasing amount of cord-cutting households, and the fragmentation of the TV audience. The Lottery also wants to find different ways to reach customers and potential customers in the digital world outside of the traditional banner and pre-roll ads. Depending on the individual campaign goals, the Lottery is willing to invest to reach a smaller, more engaged audience with high-impact experiences instead of maximizing reach and impressions for the lowest cost possible.

Transit, online, and other miscellaneous advertising vehicles are utilized for specific campaigns. Typical annual media expenditures might be \$1.3 million for television/video, \$1.1 million for radio, \$1.2 million for digital/social/print, \$500 thousand for event and experiential marketing, and \$700 thousand for outdoor. The Lottery buys the majority of its media on a campaign-by-campaign basis. We have several media buys that are year-long (MNN radio and digital billboards).

The Lottery takes special care to ensure that its ad humor has broad appeal and is not considered inappropriate by the public. The Lottery's goal is to create memorable creative but not to alienate any segment or portion of the population. The Lottery believes that every Minnesota adult is a stakeholder in the Lottery.

There are specific statutory restrictions on the content of Lottery advertising which can be found at Minnesota Statutes, section 349A.09 (revisor.leg.state.mn.us/statutes/?id=349A.09).

Promotions

The Lottery conducts numerous promotions, contests, and sponsorships with media, sports, arts, and event properties. Some promotions are specific to a Lottery game while others are used to conduct sampling and brand engagement. Featured products are frequently supported by 2nd Chances to create added value and consumer interaction. Players enter 2nd Chances via a unique code on non-winning tickets on mnlottery.com/second-chance for a chance to win a random drawing for prizes like cash, trips, or merchandise. Free giveaways are implemented each month to encourage return visits to mnlottery.com and interaction with the brand. The Lottery also routinely conducts smaller giveaways on social media to encourage community growth and continued interaction with the brand.

Media trades and launch events are used to promote featured products via paid and earned media. The Lottery frequently partners with Minnesota brands, businesses, and other state agencies to generate publicity and increase sales.

Point-of-sale advertising is designed in-house by the Lottery creative services department and sent to stores for placement. Various pieces are selected to promote the sale of featured products and establish a Lottery presence in retail locations.

Market Research

Minnesota Lottery sales have been growing for the past 15 years. Record-breaking jackpots and higher priced scratch games have helped immensely, but the Lottery, like most businesses, is focused on filling the sales pipeline by attracting new players 25–44. Through research, we have defined the market with four different groups or segments: rational planners, social trend surfers, traditional risk takers, and tech-dependent homebodies. Of these, the trend surfers and the risk takers were most inclined to play the lottery and became our target market. These player profiles are included in the appendix.

Database Marketing

Currently, there are approximately 188,000 active members who enter contests and receive promotional emails, notifications, and winning numbers from the Lottery. The Lottery has

database marketing capabilities and routinely communicates winning numbers, new game announcements, contest and event alerts, and other notifications to players. Increased database marketing and CRM functionality is a priority over the coming year.

3. Information Regarding this Request for Proposal

The Lottery is committed to a fair and open process to provide the best value for the Lottery and its good causes. Value is a combination of the best services at the best possible price as described below. This section provides the rules of the road for this process. Please review this section closely.

3.1. Proposal Instructions and Contents

All proposals must be sent to and received by:

Kolby Sabrina
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113

Not later than 2:00 p.m. (Central Time) on February 2, 2024. Late proposals will not be accepted. Agencies or teams of agencies must submit eight (8) USB drives:

- One (1) USB drive should contain the written proposal, price proposal, and any video or audio examples. The price proposal must be saved as a separate PDF. This USB drive must be clearly labeled as containing pricing information.
- Seven (7) USB drives should contain the written proposal and any video or audio examples. Do not include any pricing information in these seven (7) USB drives.

3.1.1. Sole Point of Contact and Written Questions

The Lottery is the sole point of contact regarding all procurement and contractual matters relating to the services described herein. Once issued, the Lottery is the only office authorized to clarify, modify, amend, alter, or withdraw specifications, terms, and conditions of this RFP and any contract awarded as a result of this RFP. All communications concerning this RFP must be addressed to the Contract Administrator:

Kolby Sabrina
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113
E-mail: kolby.sabrina@mnlottery.com

Agencies are encouraged to submit written questions. **Initial written questions should be received by the Lottery no later than 2:00 p.m. (Central Time) on December 28, 2023.** Telephone inquiries will not be answered, although questions may be e-mailed.

On or before January 5, 2024 the Lottery will issue official answers to questions submitted. The answers to all questions will be posted on mnlottery.com/vendors. Answers that materially

impact the requirements of the RFP will be considered as amendments to the RFP. No other modification of the requirements of the RFP, except by the issuance of amendments, will be recognized.

3.2. Schedule

This RFP process will proceed in two stages:

First, agencies will submit written and price proposals. The review committee will score the written proposals and the Contract Administrator will independently score the price proposals.

Second, based on an evaluation of the written and price proposals, the Lottery may exercise its right to short-list responders for an interview or presentation and designate finalists. The finalists will be asked to present a strategic presentation in person. See Section 3.4.3, below, for more information.

The apparent successful winner of this RFP will be determined by the finalists' total scores, combined with their price proposals. The time and critical dates for awarding a contract under this RFP are as follows:

Event	Date
RFP Issued	12/11/23
Deadline for Written Questions	12/28/23
Answers to Questions	1/05/24
Written Proposals Due	2/02/24
Finalists Designated and Assignment Issued	2/13/24
Finalist Written Questions Due	2/19/24
Working Sessions	Week of 2/26/24
Finalist Presentations	Week of 3/11/24
Apparent Winning Proposal Designated	On or before 3/19/24
Contract Executed	On or before 4/05/24

These dates are for informational and planning purposes and may change during the course of the procurement process at the discretion of the Director of the Lottery.

3.3. Written Proposal Content

Written proposals should include all of the information, including case studies, requested in Section 4. **Written proposals shall be no more than 30 single-sided pages, using reasonable formatting.** The required forms found in the appendices to this RFP, any exceptions to the proposed contract, financial statements, and other required documents should be attached to the written proposal and do not count toward the page limit.

Agencies are encouraged to submit video or audio case examples as part of their written proposals. These video or audio examples cannot be hosted on the Internet. Video or audio examples do not count toward the page limit, but must be fully described in the text of the written proposal.

The price proposal should include all of the information found in Section 5. The price proposal should be in the format found in Section 5.

3.4. Proposal Evaluation

All responses received by the deadline will be evaluated by a review committee comprised of representatives of the Lottery's executive and marketing departments. Proposals will first be reviewed for responsiveness to determine if the minimum requirements have been met. Proposals that fail to meet minimum requirements will not advance to the next phase of the evaluation.

A 1,000-point scale will be used to create the final evaluation recommendation:

Criteria	Maximum Points
Technical Proposal (including finalist presentation)	700
Price	300

More information on each element of the 1,000-point scale follows below.

3.4.1. Phase 1 - Responsiveness and Pass/Fail Requirements

The Lottery will first review each written proposal for responsiveness to determine if the agency satisfies all mandatory pass/fail requirements. The following will be considered on a pass/fail basis for the written proposals:

1. Written proposals must be received on or before the due date and time specified in this solicitation.
2. The agency or team of agencies must have or plan to establish a substantial physical presence in the State of Minnesota.
3. Agency staff must have at least five (5) years of experience relating to state-of-the-art digital and traditional marketing, advertising, and media buying.

3.4.3. Phase 2 - Evaluation

Only those responses found to have met all pass/fail requirements in Phase 1 shall be evaluated by the review committee in Phase 2 as follows:

Criteria	Maximum Points
Agency Philosophy, Strengths, and Capabilities	125
Client Service.....	125
Media Planning and Buying.....	75
Measurement and Reporting	50
PR/Sponsorship and Event Planning	25
Digital/Social Capabilities and Approach.....	100
Case Studies	125
Staffing Proposal and Key Biographies.....	75
Price	300
TOTAL.....	1,000
Preference Points (if applicable).....	120

3.4.2. Pricing

After scoring the written proposals, the cost proposals will be scored independently by the Contract Administrator. The review committee will not see cost proposal scores. Compliance with the template in Section 5 will be considered a pass/fail requirement. The lowest priced agency will be awarded 300 points, and more expensive proposals will be scaled to the lowest-price agency. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

3.4.3. Phase 3 – Finalists

Only those response that have been evaluated under Phase 2 shall be eligible for Phase 3.

The Lottery will make its selection based on best value, as determined by this evaluation process. The Lottery reserves the right, based on scores of the proposals, to create a short-list of responders who have received the highest scores to interview, or conduct demonstrations/presentations. The Lottery reserves the right to seek best and final offers from one or more responders and to re-weigh price based on the lowest price finalist.

If the Lottery exercises its right to short-list responders for an interview or demonstration/presentation phase, the Contract Administrator will short-list the highest scoring responders by determining the natural break in the responders' scores. Only the highest scoring responders will advance as finalists.

Shortly after naming finalists, the Lottery will present each finalist with an identical agenda for a finalist presentation. This agenda will include an assignment requesting that the candidate agencies demonstrate their strategic process by providing a point-of-view presentation about one of the Lottery's core challenges and/or a real-world assignment with recommendations including rough creative concepts and a macro-level media approach.

Prior to the presentation, finalists will be asked to submit any technical or clarification questions in writing. Substantive questions will not be answered in writing but will be deferred to the

working session. Also prior to the presentation, finalists may be asked to participate in a one-hour video working session, where the finalist will be able to discuss initial ideas and strategies and get feedback on creative direction, strategy, and media plans from the Lottery.

After the working session, the finalist presentations will be in person at the Lottery's Roseville office. Each agency will have 90 minutes to introduce their agency and present and 30 minutes to answer questions. These finalist presentations will be evaluated by scoring the proposals on the 700-point scale found in 3.4.3.

The Lottery anticipates the following schedule: Finalists will be required to submit any initial questions or clarifications by 5:00 p.m. on Monday, February 19, 2024. The Lottery will respond to any questions by Friday, February 23, 2024. Working sessions will occur on or about Wednesday, February 28. Finalist presentations will occur the week of March 11, 2024.

3.4.5. Negotiation and Recommendation

After review and approval of the recommendation of the evaluation committee by the Lottery Director, the Lottery will begin to negotiate a Contract with the agency 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 agency 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 agency with the highest total points. In the event that contract negotiations are unsuccessful, the agency with the next highest number of points will be selected for consideration.

The final award decision will be made by the Lottery Director. The Lottery Director may accept or reject the recommendation of the evaluation committee.

3.5 Proposed Contract

You should be aware of the State's standard contract terms and conditions in preparing your response. A sample State of Minnesota Professional/Technical Services Contract is attached for your reference. Much of the language reflected in the contract is required by statute. If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

3.6. Term

The term of this contract is anticipated to run from April 15, 2024 through April 14, 2025, with an option for the Lottery to extend an additional four years in increments determined by the Lottery.

3.7. General Requirements

The following general requirements and rules apply to this RFP.

Competition in Responding

The State desires open and fair competition. Questions from responders regarding any of the requirements of the Solicitation must be submitted in writing before the due date and time. If changes are made the State will issue an addendum. Any evidence of collusion among responders in any form designed to defeat competitive responses will be reported to the Minnesota Attorney General for investigation and appropriate action.

Addenda to the Solicitation

Changes to the Solicitation will be made by addendum with notification and posted in the same manner as the original Solicitation. Any addenda issued will become part of the Solicitation.

Joint Ventures

The State allows joint ventures among groups of responders when responding to the solicitation. However, one responder must submit a response on behalf of all the others in the group. The responder that submits the response will be considered legally responsible for the response (and the contract, if awarded).

Withdrawing Response

A responder may withdraw its response prior to the due date and time of the Solicitation. A responder may withdraw its response by notifying the State in writing of the desire to withdraw. After the due date and time of this Solicitation, a responder may withdraw a response only upon showing that an obvious error exists in the response. The showing and request for withdrawal must be made in writing within a reasonable time and prior to the State's detrimental reliance on the response.

Rights Reserved

The State reserves the right to:

- Reject any and all responses received;
- Waive or modify any informalities, irregularities, or inconsistencies in the responses received;
- Negotiate with the highest scoring Responder[s];
- Terminate negotiations and select the next response providing the best value for the State;
- Consider documented past performance resulting from a State contract in the evaluation process;
- Short list the highest scoring Responders;
- Require Responders to conduct presentations, demonstrations, or submit samples;
- Interview key personnel or references;
- Request a best and final offer from one or more Responders;
- Request additional information; and
- Use estimated usage or scenarios for the purpose of conducting pricing evaluations. The State reserves the right to modify scenarios, and to request or add additional scenarios for the evaluation.

Samples and Demonstrations

Upon request, Responders are to provide samples to the State at no charge. Except for those destroyed or mutilated in testing, the State will return samples if requested and at the Responder's expense. All costs to conduct and associated with a demonstration will be the sole responsibility of the Responder.

Responses are Nonpublic during the Evaluation Process

All materials submitted in response to this Solicitation will become property of the State. During the evaluation process, all information concerning the responses submitted will remain private or nonpublic and will not be disclosed to anyone whose official duties do not require such knowledge. Responses are private or nonpublic data until the completion of the evaluation process as defined by Minn. Stat. § 13.591. The completion of the evaluation process is defined as the State having completed negotiating a contract with the selected Responder. The State will notify all Responders in writing of the evaluation results.

Trade Secret Information

Responders must not submit as part of their response trade secret material, as defined by Minn. Stat. § 13.37, *unless it is clearly marked*. In the event trade secret data are submitted, Responder must defend any action seeking release of data it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments awarded against the State in favor of the party requesting the data, and any and all costs connected with that defense. The State does not consider cost or prices to be trade secret material, as defined by Minn. Stat. § 13.37.

Conditions of Offer

Unless otherwise approved in writing by the State, Responder's cost proposal and all terms offered in its response that pertain to the completion of professional and technical services and general services will remain firm for 180 days, until they are accepted or rejected by the State, or they are changed by further negotiations with the State prior to contract execution.

Award

Any award that may result from this solicitation will be based upon the total accumulated points as established in the solicitation. The State reserves the right to award this solicitation to a single Responder, or to multiple Responders, whichever is in the best interest of the State, providing each Responder is in compliance with all terms and conditions of the solicitation. The State reserves the right to accept all or part of an offer, to reject all offers, to cancel the solicitation, or to re-issue the solicitation, whichever is in the best interest of the State.

Requirements Prior to Contract Execution

Prior to contract execution, a Responder receiving a contract award must comply with any submittal requests. A submittal request may include, but is not limited to, a Certificate of Insurance.

Targeted Group, Economically Disadvantaged Business, Veteran-owned and Individual Preference

Unless a greater preference is applicable and allowed by law, in accordance with Minn. Stat. § 16C.16, businesses that are eligible and certified by the State as targeted group (TG) businesses,

economically disadvantaged (ED) businesses, and veteran-owned (VO) businesses will receive points equal to 12 percent of the total points available as preference. For TG/ED/VO certification and eligibility information visit the Office of Equity in Procurement website at <https://mn.gov/admin/business/vendor-info/oep/> or call the Division's Helpline at 651.296.2600.

Reciprocity

State shall comply with Minn. Stat. § 16C.06, subd. 7, as that applies to a non-resident vendor. This paragraph does not apply for any project in which federal funds are expended.

3.7.1. Required Forms

Please complete the required forms attached to this RFP as Appendices B, C, and D.

4. Written Proposal

The Lottery wants to get to know your agency and your plans for our account. With that in mind, using reasonable formatting, please answer the following questions in 30 pages, at most. Don't feel obligated to use all 30 pages. Your response will be scored out of 700 possible points.

4.1 Agency Profile

Please provide the following information. Include information regarding any subcontractors or other agencies that you have chosen to partner with in this response.

4.1.1. Business Philosophy and Core Capabilities

Provide a brief synopsis of your core business philosophy.

Provide a list of the service offerings and competencies within your particular office or with other agencies that you have chosen to partner with in this response. Indicate percentages of creative output by channel (broadcast, print, OOH, digital display, search, social content, etc.). Also, indicate percentage of billings that would be characterized as B2C vs B2B.

Indicate major awards won by your agency within the last three (3) years.

4.1.2. Creative Philosophy

How would you characterize or describe your approach to creation—your process and product? Briefly describe how you incorporate research in your process and, if applicable, provide a brief example of an experience where you optimized or changed your creative approach based on a key learning from target audience research.

Include and describe a compilation of what you consider your firm's very best creative work over the last three years across all relevant channels. Indicate work that was developed by team members who would be assigned to the Lottery account. This may include work developed by members of your team at past employers but these examples should be noted as such.

4.1.3. Key Strengths

List your top three strengths in rank order with supporting rationale.

4.1.4. Client Service Philosophy

Please answer the following questions regarding your approach to client service.

- How do you typically manage the client/agency relationship?
- What are your project management capabilities and what tools or processes do you use to manage workflow?
- How do you typically expect the client to manage the client/agency relationship?

- How do you manage multi-channel integration to ensure a consistent brand message along the customer journey?
- How do you effectively divide responsibilities between client and agency and ensure important timelines are maintained and deadlines achieved?
- What processes are in place for financial stewardship?

4.1.5. Approach to Media Planning and Buying

What are the top three distinguishing attributes of your media planning and buying approach and team? Include information on technologies or platforms that enable you to optimize targeting and include whether these technologies are in house or outsourced.

Describe your planning methodology and provide insight into your process for creating audience profiles, buying, monitoring, optimizing, analyzing, and reporting across all channels. In particular, provide a synopsis of how you minimize ad fraud and waste in digital media buys.

Share a breakout of total media placed by your firm across the following channels in 2023 as compared with 2022: TV, CTV, radio, OOH, print, programmatic digital, direct digital, mobile, paid social, paid search, streaming, and other.

4.1.6. Measurement and Reporting

How do you report the performance of client campaigns, and at what intervals?

Describe your approach for determining attribution and incrementality in a multi-channel campaign, and how important each is in today's environment.

Describe your standard measurement process and technology that assists in setup, execution, optimization, and analysis. Provide screen shots of reporting dashboards or reports you have employed for your clients and details about the availability of most-recent data (real time, reporting intervals, etc.), and the depth and expense of the tool.

4.1.7. PR/Sponsorship and Event Planning Philosophy

Share your core credentials in public relations, including size of team, client experience, and how this team is integrated across other disciplines, especially digital.

Briefly describe your process for reviewing sponsorship/event proposals or promotional media opportunities to determine cost/benefit value for your clients. Include an event planning example that describes your experience developing (not executing) the event plan for a client, including associated creative and results. Give an additional example of what you would consider your best earned media story with attendant business results and post-campaign learnings. Include the strategic insights that drove your recommendations and illustrate how you rationalized channel allocations.

4.1.8. Digital Capabilities and Approach

Describe your digital credentials. Indicate whether the services described (e.g., website development, design, SEO/SEM, social, mobile, apps, etc.) are in house or outsourced. Give an example that illustrates your most innovative omnichannel digital campaign.

What are the top three distinguishing attributes of your digital strategy team in rank order, with supporting rationale?

4.2. Case Studies

Provide three case studies with creative examples that illustrate your experience in the following categories.

4.2.1. Marketing to 25-44 Demographic

Explain how you helped a client capture the interest and convert this hard-to-reach audience. Describe the research-based insights and how they led to your recommended strategy. Explain how you evolved the creative and chose channel platforms (owned and earned) that would optimize reach and engagement. If you have no case with that specificity, share a relevant brand case that expanded into other target groups without diminishing the support from the core audience.

4.2.2. Retail

Describe a case where your firm was tasked with supporting frequent, fast-paced retail activity and how you managed to optimize efficiency of output while maintaining high creative standards. Please provide results beyond awareness figures and key learnings.

4.2.3. Expanding on an Existing Campaign

Describe a case where your firm expanded, grew, reimagined, or reinterpreted an existing marketing campaign.

4.3. Staffing Proposal and Key Biographies

Based on the Scope of Work in Appendix A, provide us with a staffing proposal and key biographies, including relevant experiences and expertise. Include an organizational chart showing the structure of the entire Lottery team across all departments. For each person listed, provide what percentage of that person's time will be dedicated to the Lottery.

4.4. Agency Corporate Information

Provide the following general information for your agency and all proposed subcontractors or partners. If any of the following information cannot be provided, please provide a justification.

- The name and address of the Agency submitting the Proposal.
- Type of business entity (e.g., Limited Liability Corporation, partnership).
- Place of incorporation or legal address where other form of organization is domiciled.
- The name, address, telephone number, and email address of the Agency's primary contact for the purpose of this RFP.
- Name and location of the major offices, if applicable, that relate to the Agency's performance as proposed in its proposal.
- The names, addresses, and functions of any and all subcontractors, associated companies or consultants that have been or will be involved in any phase of the project or services being procured in this RFP.
- The name(s) of any and all law firms and/or individuals representing the Agency within the State.
- Any substantial change of ownership in the Agency or the Agency's parent or holding company that occurred since January 1, 2020. Pending changes must be disclosed to the extent permitted by law and by regulatory agencies.
- Copies of audited or reviewed financial statements for two (2) most recent fiscal years. The Lottery reserves the right to require any additional information necessary to determine the financial integrity and responsibility of the agency or agencies. Financial statements may be attached to the Written Proposal and do not count toward the 30-page limit.

5. Pricing

The agency's price proposal must contain all of the information required in this section. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

The purpose of this section is to request a compensation proposal that provides a staffing and compensation plan (including any subcontractors or partners) to deliver the scope of work outlined in Appendix A. Assuming the total amount of work does not change, the Agency may propose a rate of annual increase (a percentage increase over the prior year). The Lottery does not anticipate the scope or amount of work will change, but the agency and the Lottery will meet periodically to discuss whether the scope of work should be reallocated based on actual needs and hours. The total cost for the majority of the contract (years one through three) will be scored.

5.1 Pricing Philosophy

The Lottery strongly believes that an annual fee agency compensation scheme should be fair to both parties and that it should encourage the development and creation of great work. The Lottery recognizes its partners are for-profit enterprises but seeks value on behalf of the State of Minnesota and Lottery beneficiaries. The Lottery's compensation scheme must fit the Lottery's needs and budget as currently known by covering all creative, media buying, and client management as outlined in Appendix A. Specifically, the Lottery will not pay commissions or a percentage of its ad buy for media buying, and all production and media out-of-pocket costs will be billed at net with no markup.

Your pricing proposal must include all deliverables and services required by the RFP and proposed by your agency and partners, unless you specifically state that an item or feature is offered as added scope.

You should expect a quarterly assessment and feedback session in which the scope of work outlined in Exhibit A is discussed and/or renegotiated to adjust for actual Lottery needs and agency hours spent on the Lottery account.

5.2 Pricing Proposal

Complete the following compensation table based on 1,800 hours per FTE. Feel free to add rows to account for additional staffing. All staff members working on the Lottery account should be listed. All information must be consistent with the staffing plan in the Written Proposal.

Employee Name	Title	FTE	Hours	Blended Hourly Rate
Account Management				\$0
		0%	0	\$0
		0%	0	\$0
		0%	0	\$0
Total Account Management Fee		0.00	0	\$0
Creative				\$0
		0%	0	\$0
		0%	0	\$0
		0%	0	\$0
Total Creative Fee		0.00	0	\$0
Media Planning and Buying				\$0
		0%	0	\$0
		0%	0	\$0
		0%	0	\$0
Total Media Planning and Buying Fee		0.00	0	\$0
Other				\$0
		0%	0	\$0
		0%	0	\$0
		0%	0	\$0
Total Other Staff Fee		0.00	0	\$0
Total FTE / Hours / Costs		0.00	0	\$0
Total Direct Labor				\$0
Overhead Percentage of Direct Labor			0%	\$0
Profit Margin			0%	\$0
Annual Fee for Year One				\$0
Percentage Increase and Annual Fee for Year Two			0%	\$0
Percentage Increase and Annual Fee for Year Three			0%	\$0
Total Fee for Years One through Three				\$0*
Percentage Increase and Annual Fee for Year Four			0%	\$0
Percentage Increase and Annual Fee for Year Five			0%	\$0

* Scored out of 300 points