



RFP: C202110 – New York Lottery Strategic Marketing Services Partner

BIDDER ACKNOWLEDGEMENT OF AMENDMENT

Amendment Number: Three

Date Issued: May 13, 2022

Summary:

1. As noted in Amendment Two, answers to Question 9 and Question 28 are provided in Amendment Three, as detailed below.

Q.9 – Amendment Two: Section 2.3.C: Please confirm how many total years of experience the Group Account Director is required to have versus the Account Director, where the requirement is 15 years.

A.9: There are no minimum experience requirements beyond the 7 years as a Group Account Director.

Q.28 – Amendment Two: Section 5.27: It is customary for an indemnity to be for a party's own action/inaction, not for the other party's action or inaction. Can Section 5.27.F.1 be removed? Or, if not, what is the rationale for making the Bidder responsible for the Commission's or State's own actions?

A:28: "Section 5.27.F. is hereby amended to read as follows:

F. an actual or alleged act or omission of:

1. the Successful Bidder;
2. a subcontractor of Successful Bidder; or,
3. any person directly or indirectly employed by or in an agency relationship with the Successful Bidder or a subcontractor, or which may arise out of or be related to the Successful Bidder's response to this RFP or its or any of its subcontractor's performance or failure to perform under any Contract. All obligations of indemnification shall survive the termination of the Contract."

2. Questions and Answers are attached.

By signing below, the Bidder attests to receiving and responding to the amendment number indicated above.

BIDDER NAME: _____

REPRESENTATIVE SIGNATURE: _____

**New York Lottery Strategic Marketing Services Partner
Question and Answer Summary – Amendment Three
Issued: May 13, 2022**

Q.1: Is it possible to provide an extension to the timing?

A.1: A change was made to the Schedule of Events with Amendment One to the RFP. No further extensions are anticipated.

Q.2: In regard to the 30-minute oral presentation – would the team be open to extending that time by an additional 30 mins? We feel that is such an important component of the process and the chance for our teams to show you their passion for the opportunity, so extra time to have those conversations would be hugely appreciated.

A.2: No.

Q.3: We noticed there is not an explicit creative brief in this RFP. Our best business and creative minds are eager for you to see their work and for us to demonstrate how we would approach your business challenges through creative solutions. Would you be open to sharing with us a sample marketing or communications challenge for us to tackle?

A.3: No. Please use references (RFP Section 3.2.4) and case studies, creative reel, samples, and creative executions of omni-channel marketing and advertising campaigns (RFP Section 3.2.3) to demonstrate how Bidder approaches business challenges through creative solutions.

Q.4: Are previous bid results available for this contract?

A.4: These services, in modified part, were last bid out by the Commission in 2014. That RFP titled “Creative Marketing and Communication Services & Media Planning and Buying Services” and the resulting contract award can be found on the contract award page of the Commission’s website at:

https://www.gaming.ny.gov/about/procurement_contract.inc.php.

Q.5: Section 2.3.C: Please confirm how many total years of experience the Group Account Director, as defined in the AMT, is required to have versus the Account Director, where the requirement is 15 years. This is important for us to understand so that we ensure that the AMT is composed of the ideal candidates.

A.5: See the answer to Amendment Two – Question 9 in the Summary.

Q.6: Section 2.3.J: This section references the following: *“Retailer and Corporate Reporting – The Successful Bidder shall provide reporting on retailer status by trade style on a monthly basis. Reporting shall include insights and recommendations to achieve goals and objectives based on findings.”*

- a. How is ‘retailer status by trade style’ defined for these reporting purposes?
- b. Is this connected to retailer compliance and engagement with in-store communications and POS signage/displays? And is this related to sales goals or marketing objectives?

A.6:

- a. **“Retailer status by trade style” refers to sales performance of the Commission’s licensed lottery sales agents/retail base as categorized by chain groups and/or store type (trade styles, which are defined more particularly within the Lottery’s licensing and sales reporting systems). Trade style definitions will be shared with the Successful Bidder.**
- b. **Elements of retailer and corporate reporting will be determined with the Successful Bidder and may include, but not be limited to, Point of Sale (POS) signage/display distribution and analysis, trade style and corporate sales, achievement toward established goals, and promotion return on investment.**

Q.7: Appendix H: Will the New York Lottery provide what is acceptable documentation for the requirement of identifying information for New York State businesses.

A.7: In response to the requirements of Appendix H, Bidders may list the names of New York State businesses to be used on the resulting contract.

Q.8: Appendix I.2: Should the Bidder include any subcontractors and/or Joint Bidders in the tabulation of these fields?

A.8: Please include the total workforce for only the primary Bidder on Form I-2.

Q.9: Appendix I.2: Should this form be completed for any Subcontractors?

A.9: See A.8, above. Subcontractors are not required to complete this form for their workforces with the Proposal. Subcontractors will, however, be required to report EEO reports quarterly.

Q.10: Appendix I.3: If the Bidder has more than two subcontractors, would the Commission be comfortable with the Bidder replicating this form to allow for additional rows needed for any additional subcontractors?

A.10: Yes.

Q.11: Appendix P: Will the New York Lottery provide specific years and scope of experience for individual job titles/functions so that a fair comparison can be made of vendors’ proposals? For example, what differentiates a Jr. Account Planner from an Account Planner? And, what differentiates an Account Planner from a Sr. Account Planner?

A.11: No. The roles listed in Appendix P are the types of roles the Commission envisions needing. It is up to the Bidder to determine the specific years and scope of experience for job titles/functions that the Bidder proposes to fulfill RFP requirements.

Q.12: Appendix P and Attachment 2: Within the R1 responses received 4/18, the following answer to question 40 noted *“Bidders may add job titles under existing categories in Attachment 2, Pricing Proposal Form, and Appendix P, Year One Estimated Level of Effort. Bidders who wish to add titles to Attachment 2 or Appendix P may do so using the revised documents*

provided within this Amendment. Bidders may use the original documents included with the RFP if they do not have any additions.” We’ve not yet received the revised documents referenced above. Can they be sent?

A.12: The fillable Pricing Proposal Form is available on the Gaming Commission’s website. Here is the link to the downloadable fillable Pricing Proposal Form, which appears as a download from this link:

<https://www.gaming.ny.gov/pdf/Procurement/Attachment%20%20-%20Pricing%20Proposal%20Fillable.xlsx>

Q.13: In Amendment Number Two, Q36, the Commission stated that the “MWBE goal established under this RFP is 30% total (proposed 20% MBE and 10% WBE).” This is consistent with Section 7.8 of the RFP. However, the RFP Appendix I, Section II, A, the goals are established as 10% for MBE and 20% for WBE. Can you please clarify what the MBE and WBE goals are?

A.13: The reference in Section 7.8 of the RFP is an error; the reference in Appendix I is correct. The goals for this procurement are: MBE 10% and WBE 20%. Section 7.8 is amended as follows:

The MWBE goal established under this solicitation is 30% total (~~20%~~ 10% MBE and ~~40%~~ 20% WBE).

Q.14: The RFP mentions that the chosen partner will be responsible for the “development of innovative and relevant lottery games.” How do you typically collaborate with partners on new product development?

A.14: Typically, an input brief/overview would be developed by the Commission’s Lottery staff to present to the Successful Bidder for any game development-related requests, for example the development of a new scratch-off game design. This type of collaboration may include one of the Commission’s contracted Lottery game vendors as well.

Q.15: Historically, what percentage of your media spend has been allocated to communicating the New York Lottery’s education contributions? Do you foresee that shifting in the future?

A.15: Communicating the Lottery’s aid to education mission has historically been left to public relations efforts and no part of our traditional media spend has been specifically allocated for this effort. All future uses of media spend are open to recommendation from the new Strategic Marketing Partner.

Q.16: Is there any seasonality around when you communicate New York Lottery’s education contributions?

A.16: Seasonality has not affected messaging of the Lottery’s aid to education to date.

Q.17: You mention that “responsible maximization of aid to education contributions” is one of your key focus areas for improvement over the next 12 months. What role, if any, do you see your agency partner playing in achieving this objective?

A.17: Historically, aid to education has been maximized through increasing sales, improving efficiency, and reducing overhead costs. Responsible sales and marketing practices are a requirement of these efforts. The Strategic Marketing Partner is expected to contribute to all of these areas.

Q.18: Are there currently retailer-level communications that encourage customers to try their luck with the second chance program? If so, have you found them successful?

A.18: Sales agent/retailer-level communications encouraging customers to participate in second chance programs are, and have been, used. The Commission will share learnings from past efforts with the Successful Bidder.

Q.19: What are the challenges and opportunities you see for the NY Lottery long-term vs near-term?

A.19: Challenges and opportunities will be discussed with the Successful Bidder.

Q.20: Culture and Corporate Values are a big part of chemistry. How would you describe the values that matter most to NY Lottery?

A.20: The Lottery values integrity, collaboration, accountability, support and communication. The integrity of the Lottery's games and messaging is of the utmost importance. The Commission also works hard to balance the mission of contributing to education and the tenets of responsible gaming with the fact that Lottery games are designed to provide entertainment.

Q.21: How has COVID changed the sales in NY Lottery tickets over the past 2 years?

A.21: The first quarter (April 2020) showed a decline in ticket sales and the number of retailers selling lottery tickets, followed by a moderate increase in both. Lottery sales and the retailer base have now leveled off and follow the same trends as previous years. For more information on Lottery sales, visit the New York Lottery reporting page: <https://nylottery.ny.gov/page/finance>.

Q. 22: What percentage of your sales come from the Jackpocket app? Convenience stores? Grocery stores? Other retail?

A.22: The percentage of our sales by trade style (including courier service, convenience stores, grocery stores, and many other types) will be shared with the Successful Bidder.

Q.23: Do you have a brand tracker or any other metrics on brand health and perceptions vs. competition that you can share?

A.23: The Commission conducts a tracking study that includes brand metrics. Overall awareness and opinion of the Lottery is positive. Detailed information will be shared with the Successful Bidder.

Q.24: Who do you consider your competition today given the entertainment landscape? Who do you see it as in the future?

A.24: In the broadest terms, the Lottery competes for a share of entertainment dollars.

Q.25: Who is your most valuable NY Lottery customer? What is your average LTR for a new customer? Is your current customer base generally loyal?

A.25: This information will be shared with the Successful Bidder.

Q.26: Do you have a consumer journey that you can share? Is there info on average length of consumer journey and general consideration period?

A.26: The Commission does not have the information requested and is seeking assessment and development of this type of information as part of the RFP (See Section 2.3N).

Q.27: Beyond the individual target and their age, income, insurance, are there existing segments we should consider? Do you have documents defining and profiling these audiences?

A.27: The Commission has defined consumer segments and expects the Strategic Marketing Partner to assist in the evolution of consumer segmentation.

Q.28: Is there any existing site map in place to guide user segmentation?

A:28: No.

Q.29: How are you currently using 1P data for lower funnel activations? What is your segmentation strategy for first party data?

A.29: The Commission will share specific consumer segmentation strategies with the Successful Bidder. With the upcoming addition of a Strategic Digital Partner, both strategy of consumer segmentation within the marketing database and the execution thereof are expected to be overhauled starting this fiscal year. The Successful Bidder will be expected to have input into this process.

Q.30: What are the response metrics used for optimization? How often are you optimizing?

A.30: The Commission does not understand this question.

Q.31: How do you currently track awareness campaigns vs. cost per campaigns and how do you determine the value of each/weighting of each?

A.31: The Commission uses primary research to determine campaign awareness. The Commission is interested in Bidders' recommendations for evaluating campaign awareness vs. cost.

Q.32: What MMM modeling, attribution modeling, or other measurement models do you have in place? Do you have a partner you are working with for MMM/MTA or is it internal? Is that being used across all of your current channels?

A.32: This information will be shared with the Successful Bidder. The Commission is interested in Bidders' recommendations for measurement models.

Q.33: Which DMP do you currently use?

A.33: Since DMP is not defined in the question, the Commission is unable to answer this question.

Q.34: How do you currently track awareness campaigns vs. cost per campaigns and how do you determine the value of each/weighting of each?

A.34: Please refer to the answer to Question 31.

Q.35: Can you please share your current tech stack (e.g.Salesforce, Google Analytics, etc)?

A.35: Tableau, Social Bakers, and Google Analytics.

Q.36: Could we get view access to your website Analytics?

A.36: The Commission will consider this request with the Successful Bidder.

Q.37: Do you work with a tag management solution today?

A.37: No.

Q.38: How big of a footprint/space does the Commission have a typical "event". 10X10, 10X2? In addition, can you provide an example of what the consumer experience was at these types of events that you or the previous agency executed?

A.38: There is not a typical "event set up" that is standard, and event participation/consumer experience has been extremely limited since the outset of the COVID-19 pandemic. The Commission will provide event details with the Successful Bidder.

Q.39:

- a. Please describe your internal team structure and how you work with your current agencies.
- b. What is currently lacking from an agency service perspective?
- c. How many agencies do you currently engage with for media?
- d. What would be your ideal relationship?

A.39:

a. The Commission's internal marketing and sales team structure for the Lottery is comprised of a Director of Marketing & Sales, Advertising Director, Advertising Supervisors and Retail Operations Manager. Marketing and sales staff work with agencies via structured meetings, strategic discussions, project coordination and updates, and cooperative work sessions related to Lottery programs, in person or

virtually, at the discretion of the Commission. Meetings may include the Commission's Lottery marketing, sales, product, security, and operations staff and third-party vendors to collaborate and share knowledge.

b. Services are being provided pursuant to the current contract. Any change in these services for the Successful Bidder would be based on the RFP and resulting contract.

c. The Commission is currently contracted with McCann-Erickson, USA, Inc. for media services.

d. The Successful Bidder will serve as a strategic business partner working collaboratively with the Commission's Lottery staff to develop integrated marketing programs that will achieve the Lottery's mission, goals, and objectives.

Q.40: What type of compensation model do you prefer for media: fixed fee, commission, or a combination of both?

A.40: The compensation model is explained in the RFP. See section 2.3(E)6.

Q.41: Clarification: Section 2.3 Q states "for any production work to be conducted outside the State of New York, the Successful Bidder must provide written documentation prior to conducting such work that demonstrates locations, facilities, or resources within the State of New York are not adequate for the required production". We have some in-house Production Services capabilities and some services (such as video editing) would be handled by our in-house studio. If we utilized an in-house production resource who works outside of the state of New York, would that be considered production work conducted outside the State of New York?

A.41: Yes.

Q.42: Will the Commission be supplying IP and materials for the Successful Bidder to use, work with, repurpose? If so, will the Commission supply the third-party vendor licenses and clearances relating to such materials?

A.42: Yes, the Commission will supply IP and materials, including any necessary licenses and clearances, to the Successful Bidder for use under the RFP and resulting contract.

Q.43: Are there any pre-existing lawsuits, litigation or settlements that could limit or affect the scope, delivery of this Contract? If so, could you share the specifics?

A.43: No.

Q.44:

- a. Do you currently have an always-on strategy to report customer complaints and/or AE reporting in the digital/social world?
- b. Is there a specific WoW set up to vet, submit and the roles listed in Appendix P,
- c. are the roles listed supposed to be prescriptive about the types of roles / volume of staff you expect?
- d. Can we add to roles or adjust roles according to our recommendations?

A.44:

- a. **Yes, the Commission has an always on and AE reporting strategy.**
- b. **The Commission does not understand this question.**
- c. **The roles listed in Appendix P are the types of roles the Commission envisions needing, not the volume of staff expected. It is up to the Bidder to determine the specific roles and volume of staff for job titles/functions that the Bidder proposes to fulfill RFP requirements. The Commission is seeking staffing recommendations from Bidders. See RFP Exhibit A – Year One – Fiscal Year Marketing Plan.**
- d. **Yes. Please refer to Amendment Two – Question and Answer Summary – April 18, 2022, Question 40; and Appendix P – Year One Estimated Level of Effort. Both documents are available on the Commission’s website.**

Q.45: Hispanic and multicultural marketing – can you share your priorities/experience with addressing multicultural groups, and do you generally have dedicated teams working on this?

A.45: Ensuring marketing efforts are inclusive of the great diversity of cultures that make up the State of New York is very important. Multicultural marketing is part of the Commission’s strategic and tactical planning in collaboration with agency partners. The Commission does not have internal staff dedicated to multicultural marketing, but current partner agencies utilize dedicated resources as needed.

Q.46: How do you define your competitors in the category?

A.46: Please refer to the answer to Question 24.

Q.47: How frequently do you expect your new agency to provide a competitive review? Annual, quarterly, monthly?

A.47: This frequency will be determined with the Successful Bidder. Frequency may change depending on New York’s gaming landscape.

Q.48: Do you have a subscription with a competitor tracking tool/platform to monitor competitors’ activity? Or does the agency need to invest in a platform?

A.48: The Commission does not have subscription for the Lottery to a competitor tracking tool/platform to monitor competitors’ activity. Additional procurement needs will be discussed with the Successful Bidder.

Q.49: When you combine the number of campaigns you have on your Fiscal Year Marketing Plan with the ad hoc projects, how many briefs do you share with your agency per year?

A.49: In a typical fiscal year the Commission’s Division of Lottery expects to provide a minimum of 15 briefs with the Strategic Marketing Partner.

Q.50: Can you please confirm if production work conducted by the following employees would be considered production work conducted inside the state of New York:

- a. **Direct employees (of a NY State registered business) who are currently working remotely (production design and motion design) from outside New York state**

- b. Direct employees in our affiliate offices located in other states - but billed directly through our NY office.

A.50:

- a. **This scenario does not qualify as production work conducted inside the State.**
 b. **This scenario does not qualify as production work conducted inside the State.**

Q.51: In your answer to Question 40 from the Round One Questions, you stated "Bidders who wish to add titles to Attachment 2 or Appendix P may do so using the revised documents provided with this Amendment". Can the Commission please provide the revised Attachment 2 and Appendix P documents?

A.51: Please refer to the answer to Question 12.

Q.52: Section 2.3(dd). In your answer to Question 118 from the Round One Questions, you stated "50% of the Hourly Rates provided in the Successful Bidder's Attachment 2 will be paid to any staff that are in Commission-authorized travel status". Can you please clarify that this would include those staff who were included in the annual fee at 100% FTE?

A.52 RFP section 2.3.DD is hereby amended as follows:

DD. LOTTERY INDUSTRY TRADE SHOWS, CONVENTIONS AND SPECIAL EVENTS – The Successful Bidder shall stay current on industry trends which may include attending lottery industry trade shows, conventions, and special events. When the Successful Bidder's attendance at such an event could be beneficial to the Commission, the Successful Bidder needs prior written approval from the Commission for the Commission to thereafter provide any reimbursement to the Successful Bidder for any authorized travel expenses associated with such event.

Reimbursement for pre-approved travel expenses will be based on proper, supported receipts and in accordance with the prevailing allowances established by the State of New York for Management/Confidential Employees. For more information, please refer to the New York State Travel Manual at: <http://www.osc.state.ny.us/agencies/travel/manual.pdf>. For current mileage reimbursement rates please visit: <https://www.gsa.gov/travel/plan-book/transportation-airfarerates-pov-rates-etc>. ~~The hourly rate to be paid for the Successful Bidder while in travel status will be 50% of the hourly rate provided in the Pricing Proposal.~~

Q.53: Can the Commission provide insight into the typical volume of invoices (i.e., number of invoices in a typical month or year), including those for pass-through invoices for marketing with multi-jurisdictional partners?

A.53: Total invoices submitted to the Commission for fiscal year 2021-2022:

- **Production: 425 job invoices**
- **Media: 300 campaign summary invoices**

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