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Over \$2 Billion and Counting for our Schools

GOVERNOR Christopher T. Sununu
 CHAIRMAN Debra M. Douglas
 COMMISSIONER Paul J. Holloway
 COMMISSIONER J. Christopher Williams
 EXECUTIVE DIRECTOR Charles R. McIntyre

December 11, 2019

His Excellency, Governor Christopher T. Sununu
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

1. Authorize the New Hampshire Lottery Commission ("Lottery") to amend its contract with Griffin York & Krause, LLC ("GYK Antler") (vendor #155251) of Manchester, New Hampshire for the advertising and promotion of state lottery games by increasing the price limitation by \$190,000 from \$6,510,000 to \$6,700,000. Effective upon Governor and Council approval through June 30, 2020. Governor and Council approved the original three-year contract on June 7, 2017, item #123. **100% Lottery Funds**
2. Authorize Lottery to exercise a contract extension option and amendment with Griffin York & Krause, LLC ("GYK Antler") (vendor #155251) of Manchester, New Hampshire, to extend the contract completion date from June 30, 2020 to June 30, 2022 and increase the price limitation by \$5,000,000 from \$6,700,000 (If Item 1 is approved) to \$11,700,000 for the purpose of advertising and promotion of state lottery games. Effective upon Governor and Council approval through June 30, 2022. **100% Lottery Funds**

Funds are anticipated to be available in FY 2020, FY 2021, and in FY 2022, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
06-083-083-830013-10290000			
Lottery Division			
069-500567 Advertising	\$2,360,000	\$2,500,000	\$2,500,000

EXPLANATION

1. The Lottery is seeking approval to increase the price limitation by \$190,000 for the remainder of FY 2020. Since the approval of the original contract in 2017, the scope of Lottery's product offering has grown to include KENO 603 and internet lottery (iLottery). GYK Antler's efforts have likewise expanded to include software integration, focused customer acquisition and retention, advertising, and creative support, and the requested price increase is required to allow continued marketing and public relation services of Lottery products for the remainder of FY 2020
2. Second, the Lottery is requesting the exercising of a two year extension option for an additional amount not to exceed \$5,000,000. The requested price limitation increases for FY2020-FY2022 are required to support the expansion of Lottery product lines and responsibilities. With the July, 2019 passage of sports betting, additional creative development is needed to support awareness and understanding of that new platform. It is anticipated that the additional funding will be needed to support all initiatives for FY 2021 and FY 2022.

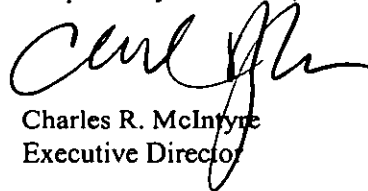


Live Free or Die

New Hampshire Lottery Commission 14 Integra Drive Concord, New Hampshire 03301
 TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

The Lottery's decision to exercise the contract extension with GYK Antler is based on GYK Antler's performance over the contract period and the continued success of our marketing, advertising, and customer resource management. The advertising and promotion activities supported by GYK Antler have had a direct impact on the agency's revenues, which have seen a 25% increase to the Education Trust Fund since FY 2017, rising from \$76.1 million to more than \$100.5 million in FY 2019. We attribute this success to the responsiveness and dexterity of GYK Antler to support the Lottery, however, the demands placed on them have grown beyond the scope of their existing contract. For those reasons, we respectfully request that the Executive Council approve both requested actions.

Respectfully submitted,



Charles R. McIntyre
Executive Director



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TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

AMENDMENT 1
to
Contract Dated June 7, 2017
Between the New Hampshire Lottery Commission and
Griffin York & Krause LLC ("GYK Antler")

This Amendment is made and entered into this 12th day of December, 2019, by and between the New Hampshire Lottery Commission ("Lottery") and Griffin York & Krause LLC ("GYK Antler"), collectively the "Parties," as follows:

The Parties entered into a contract agreement for advertising and marketing services approved by Governor and Executive Council on June 7, 2017 ("the Contract"). The Parties agree that the scope of products offered by the Lottery has expanded over the course of the Contract and that additional resources are required to provide adequate advertising and marketing support for the Lottery.

The purpose of this Amendment is to increase the Price Limitation by \$190,000 to support ongoing advertising and marketing support for Fiscal Year 2020. Accordingly, the Parties agree to amend the Contract as follows:

1. Section 1.8 Price Limitation is amended from \$6,510,000 to \$6,700,000;
2. Exhibit B, Paragraph I is deleted and replaced as follows:
 - I. The maximum amount of this 36 month contract is \$6,700,000

Fiscal Year 2018	\$2,170,000*
Fiscal Year 2019	\$2,170,000*
Fiscal Year 2020	\$2,360,000*

* Subject to funding approval by Legislature.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by the duly authorized officers as of the day and year first written above.

New Hampshire Lottery Commission:

By:  _____

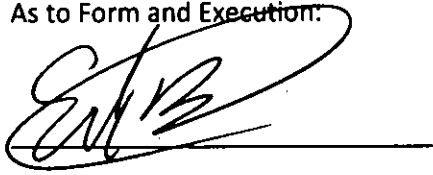
Charles McIntyre
Executive Director

GYK Antler:

By:  _____

Travis York
Director and President

As to Form and Execution:



New Hampshire Department of Justice

Approval by Governor and Executive Council on: _____

New Hampshire Secretary of State

AMENDMENT 2
to
Contract Dated June 7, 2017
Between the New Hampshire Lottery Commission and
Griffin York & Krause LLC ("GYK Antler")

This Amendment is made and entered into this 12th day of December, 2019, by and between the New Hampshire Lottery Commission ("Lottery") and Griffin York & Krause LLC ("GYK Antler"), collectively the "Parties," as follows:

The Parties entered into a contract agreement for advertising and marketing services approved by Governor and Executive Council on June 7, 2017 ("the Contract"). Based on the performance of GYK Antler during the term of the Contract, Lottery is exercising its option to extend the Contract by an additional two years as allowed under Exhibit C, Paragraph I. The Parties agree that due to an increase in the scope of products offered by the Lottery over the course of the Contract additional resources are required to provide adequate advertising and marketing support for the Lottery.

Accordingly, the Parties agree to amend the Contract as follows:

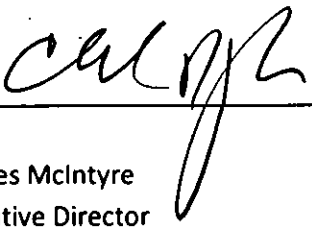
1. Section 1.7 Completion date is amended from June 30, 2020 to June 30, 2022.
2. Section 1.8 Price Limitation is amended from \$6,700,000 to \$11,700,000;
3. Exhibit B, Paragraph I is amended to add the following:

Fiscal Year 2021	\$2,500,000*
Fiscal Year 2022	\$2,500,000*

* Subject to funding approval by Legislature.


IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by the duly authorized officers as of the day and year first written above.

New Hampshire Lottery Commission:

By: 

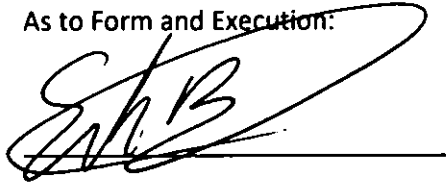
Charles McIntyre
Executive Director

GYK Antler:

By: 

Travis York
Director and President

As to Form and Execution:

A handwritten signature in black ink, appearing to be 'E. B.', written over a horizontal line.

New Hampshire Department of Justice

Approval by Governor and Executive Council on: _____

New Hampshire Secretary of State

Exhibit A
CONSENT RESOLUTIONS
OF THE SOLE MANAGER AND SOLE MEMBER
OF GYK ANTLER, LLC

The undersigned, being the sole Manager and sole Member of GYK ANTLER, LLC, a New Hampshire limited liability company (the "LLC"), do hereby waive all notice of the time, place and purposes of a meeting of the sole Manager and sole Member of the LLC and consent, pursuant to the Operating Agreement of the LLC and Section 304-C:60, II of the New Hampshire Limited Liability Companies statute, to the adoption of the following resolutions with the same force and effect as if adopted at a duly convened meeting of the sole Manager and sole Member of the LLC, and hereby direct that this written consent be filed with the minutes of the proceedings of the sole Manager and sole Member of the LLC:

- RESOLVED: That it is in the best interests of the LLC to enter into a contract with the New Hampshire Lottery Commission (the "NH Lottery Commission") to provide advertising and promotional services (the "Lottery Commission Contract"), and the Lottery Commission Contract is hereby authorized and approved.
- RESOLVED: That the sole Manager, Travis York and the sole Member, GYK Holdings, LLC, be and hereby are authorized, in the name and on behalf of the LLC, to negotiate the terms of the Lottery Commission Contract, other contracts, leases or other agreements, and all amendments and addendums thereto, with the Lottery Commission Contract and all such other contracts, leases or other agreements in the name and on behalf of the LLC
- RESOLVED: That all of the acts of the officers of the LLC heretofore performed for and on behalf of the LLC in connection with the Lottery Commission Contract, other contracts, leases or other agreements and any amendments thereto, with the NH Lottery Commission are hereby ratified, confirmed and adopted as the acts of the LLC.
- RESOLVED: That the Assistant Secretary of the LLC is hereby authorized and directed to deliver to the NH Lottery Commission, or any other State of New Hampshire agency or office, a certificate or certificates attesting to the due adoption of these Consent Resolutions signed by sole Manager and sole Member.

Dated: December 12, 2019

Sole Manager:

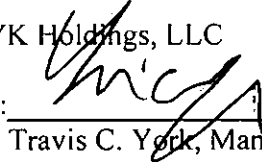


Travis C. York

Sole Member:

GYK Holdings, LLC

By:



Travis C. York, Manager

GYK ANTLER, LLC

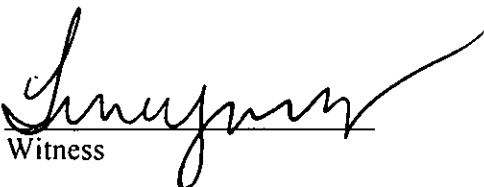
CERTIFICATE OF ASSISTANT SECRETARY

I, Francis M. Ferrara, Jr., Assistant Secretary of GYK Antler, LLC, a New Hampshire Limited Liability Company (the "LLC"), do hereby certify that:


1. I maintain and have custody of and am familiar with the seal and minute books of the LLC;
2. I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
3. The attached Exhibit A is a true and complete copy of the Consent Resolutions adopted by the sole Member and sole Manager of the LLC in lieu of a meeting of the sole Member and sole Manager dated December 12, 2019 in accordance with the laws of the State of New Hampshire and the Operating Agreement of the LLC;
4. That the resolutions contained therein are in full force and effect and unamended, as of the date hereof; and
5. That the following persons lawfully occupy the offices indicated below:

Travis C. York	Chief Executive Officer, President, Chairman, Treasurer and Assistant Secretary
Francis M. Ferrara, Jr.	Chief Financial and Administrative Officer and Assistant Secretary
Scott W. Ellison	Secretary and Registered Agent
Michael Wachs	Chief Creative Officer

IN WITNESS WHEREOF, I have hereunto set my hand as the Assistant Secretary of the LLC this 12th day of December, 2019.

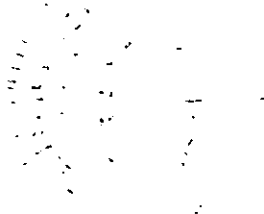
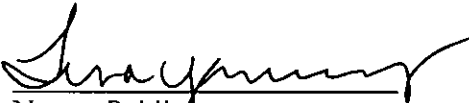

Witness

GYK Antler, LLC

By: 
Francis M. Ferrara, Jr.
Assistant Secretary, Chief Financial
and Administrative Officer

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On December 12, 2019, before the undersigned officer, personally appeared Francis M. Ferrara, Jr., the person identified in the foregoing certificate, known to me, or satisfactorily proved to be, the Assistant Secretary of the Corporation identified in the foregoing certificate, and acknowledged that he executed the foregoing certificate. In witness whereof, I hereunto set my hand and official seal.



Notary Public Expires 8/3/2021

State of New Hampshire

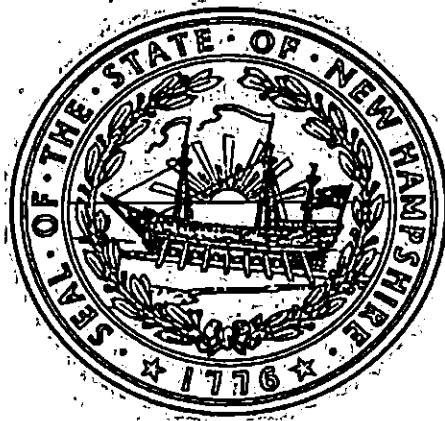
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GYK ANTLER, LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on July 14, 1975. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 16558

Certificate Number: 0004625898



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 9th day of December A.D. 2019.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/19/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wieczorek Insurance 166 Concord St. Manchester NH 03104	CONTACT NAME: Cheryl Lapointe PHONE (A/C, No, Ext): (603) 668-3311 E-MAIL ADDRESS: cheryl@wizinsurance.com	FAX (A/C, No): (603) 668-8413
	INSURER(S) AFFORDING COVERAGE	
INSURED GYK Antler, LLC 175 Canal St. Manchester NH 03101	INSURER A: Travelers Casualty Ins Co of America	
	INSURER B: The Travelers Indemnity Company	
	INSURER C: Farmington Casualty Company	
	INSURER D: Beazley Insurance Group	
	INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 20-21 Basic **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			680 1J050360-20-42	1/1/2020	1/1/2021	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 Employee Benefits \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BA 7Q132662 20 BEL	1/1/2020	1/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$ 5,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 5,000			CUP9D4747871742	1/1/2020	1/1/2021	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	Cov State MA, ME & CA UB-8J392184-20-42-0	1/1/2020	1/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.I. EACH ACCIDENT \$ 500,000 E.I. DISEASE - EA EMPLOYEE \$ 500,000 E.I. DISEASE - POLICY LIMIT \$ 500,000
D	Professional Liability			VIA7D3180301	1/1/2020	1/1/2021	1,000,000 Each Occurrence 3,000,000 Aggregate 10,000 ded

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER New Hampshire Lottery Commission 14 Intergra Drive Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Robert Wieczorek/DMD
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Additional Named Insureds

Other Named Insureds

Big Brick Productions

Doing Business As

Griffin, York & Kraus LLC

GYK Acquisitions, LLC

GYK Antler

Doing Business As

GYK Holdings, LLC.

Iron & Air Media, LLC



Nearly \$2 Billion and Counting for our Schools

G&C 06/07/2017

Item #123

GOVERNOR Christopher T. Sununu
CHAIRMAN Debra M. Douglas
COMMISSIONER Paul J. Holloway
COMMISSIONER David L. Gelinus
EXECUTIVE DIRECTOR Charles R. McIntyre

May 15, 2017

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize New Hampshire Lottery Commission* (Lottery) to enter into a contract with Griffin York & Krause, LLC ("GYK Antler") (Vendor Code #155251), Manchester, New Hampshire, in the amount of \$6,510,000 for the purpose of advertising and promotion of state lottery games, from the date of Governor and Council approval for a three (3) year period from July 1, 2017 to June 30, 2020, with an option to renew for one period of two (2) additional years, with written consent of both parties and at the current fee structure, subject to approved funding. 100% Lottery Funds

Funds are anticipated to be available in FY 2018, FY 2019, and FY 2020, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office if needed and justified, without approval from Governor and Executive Council.

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
06-083-083-830013-10290000			
Lottery Division			
069-500567 Advertising	\$2,170,000	\$2,170,000	\$2,170,000

EXPLANATION

The purpose of this contract is to secure a full range of integrated marketing and public relation services pertaining to existing and new traditional Lottery products to further the Lottery's overall business plan for sale of Lottery games to generate revenue for public education. The objectives and expected outcomes include creative, internet and social media expertise, advertising, and collaboration in developing awareness and understanding of Lottery products across the State.

The New Hampshire Lottery Commission issued a Request for Proposals (RFP) for Marketing and Advertising Services on November 7, 2016. Legal notices announcing the availability of the RFP were posted on November 9, 2016; November 13, 2016; and November 17, 2016 in the Concord Monitor and Union Leader. The RFP was also available through Lottery's website, social media outlets, and on the Department of Administrative Services' website. Six (6) agencies submitted written proposals by the February 3, 2017 deadline. GYK Antler of Manchester, New Hampshire was subsequently recommended based on the scoring provided by the review committee. A list of the committee members and the summary of their scoring is attached for your review.

Respectfully submitted,

Charles R. McIntyre, Executive Director



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TEL 603.271.3391 FAX 603.271.1160 TDD 1.800.735.2964 www.nhlottery.com

Proposal Evaluation for Marketing and Advertising Services

The New Hampshire Lottery® (Lottery) issued a Request for Proposal (RFP) on November 7, 2016, seeking a vendor to provide a full range of integrated marketing and public relations services. Six (6) agencies submitted written proposals in response to the RFP by the deadline of February 3, 2017.

The committee to evaluate and assess submissions for this service contract was comprised of the following New Hampshire Lottery Commission personnel:

- Commission Chairman Debra Douglas
- Executive Director Charles R. McIntyre
- Chief Financial Officer Cynthia Baron
- Director of Marketing Maura McCann

The committee evaluated the written proposals submitted by the agencies, and based on the scores achieved in the **Technical Proposal** areas of Background and Experience, Creative Challenge, and Management and Accounting Staff, three (3) of the six agencies exhibited the requisite depth of experience needed to cover all aspects of the Lottery's advertising and marketing needs. The Lottery evaluation committee invited the following agencies to make oral presentations on April 19 and April 20, 2017:

- Cashman & Katz of Glastonbury, Connecticut
- GYK Antler of Manchester, New Hampshire
- Fuse Ideas of Winchester, Massachusetts

The three agencies made Oral Presentations of one hour each, including an exhibition of their best consumer-related advertising campaign. Per the requirements of this criterion, each agency described the campaign's client and product, as well as explained the direction they took for promotion of the product. This included all the creative collateral that supported the product and the channels used to advertise it. All presentations concluded with the results of the campaigns, followed by a general question and answer period.

Following the presentations, the evaluation committee discussed the merits of the three agencies' exhibits, unsealed the **Cost Proposals**, and evaluated the total scores achieved by each agency.

Criteria for Scoring:

- | | |
|---------------------------------|--------------------|
| 1. Technical Proposal | |
| Background and Experience | Maximum points: 10 |
| Creative Challenge Assignment | Maximum points: 30 |
| Management and Accounting Staff | Maximum points: 10 |
| 2. Oral Presentation | Maximum points: 20 |
| 3. Cost Proposal | Maximum points: 30 |

When calculating the technical aspects of the written proposal, oral presentation, and cost, GYK Antler received the highest score for the abovementioned criteria as shown on the following score results.

EVALUATION CRITERIA	POINTS	%	Cashman & Katz	GYK Antler	Fuse Ideas
Technical Proposal					
Background and Experience	10	10%	8.25%	8.75%	9.00%
Creative Challenge Assignment	30	30%	17.00%	24.50%	21.50%
Management and Accounting Staff	10	10%	7.00%	7.75%	7.50%
Total Technical Evaluation			32.25%	41.00%	38.00%
Oral Presentation	20	20%	9.00%	14.75%	16.75%
Price Proposal	30	30%	30.00%	26.74%	15.60%
TOTAL POINTS	100	100%	71.25%	82.49%	70.35%

The committee's recommendation is to award this contract to GYK Antler, as they offer the best depth of experience regarding promotion and experiential aspects of digital and social media, have the clearest understanding of the Lottery's mission, and possess a thorough understanding of New Hampshire's demographics. Finally, GYK Antler has qualified, innovative, and experienced support staff in place to handle Lottery's expanding advertising and marketing needs.

New Hampshire Lottery Commission believes that the selection of this agency will work to drive sales, ultimately returning higher profits to the Education Trust Fund; therefore the Commission respectfully requests the Governor and Executive Council approval of the three (3) year advertising contract with GYK Antler of Manchester, New Hampshire. This contract allows for one two-year option to renew, subject to approved funding and Governor and Council approval.

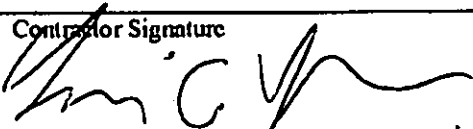
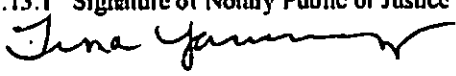

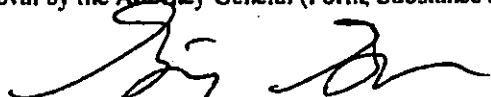
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Lottery Commission		1.2 State Agency Address 14 Integra Drive Concord, NH 03301	
1.3 Contractor Name GYK Antler		1.4 Contractor Address 175 Canal Street Manchester, NH 03101	
1.5 Contractor Phone Number 603-625-5713	1.6 Account Number AU#10290001 AC#500567	1.7 Completion Date June 30, 2020	1.8 Price Limitation \$6,510,000
1.9 Contracting Officer for State Agency Charles R. McIntyre, Executive Director		1.10 State Agency Telephone Number 603-271-3391	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Travis York, Director and President	
1.13 Acknowledgement: State of <i>New Hampshire</i> , County of <i>Hillsborough</i> On <i>2, May, 2017</i> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <i>Tina Januszewska, Director of Human Resources</i>			
1.14 State Agency Signature  Date: <i>5/3/17</i>		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <i>5/19/17</i>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

TC1
5/2/12

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder, and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials TCY
Date 8/2/17

EXHIBIT A

SCOPE OF SERVICES

- I. The scope of services is as set forth in the following documents, which are hereby incorporated by the reference into this agreement:
 - A. The "Request for Proposals for Advertising and Marketing Services for the New Hampshire Lottery" dated November 9, 2016 (hereinafter "RFP") (Attachment 1 hereto).
 - B. The Proposal dated February 1, 2017, submitted by GYK Antler (hereinafter "Contractor") in response to the RFP. A copy of the Proposal is on file with the New Hampshire Lottery Commission (hereinafter referred to as "Commission").
 - C. Vendor questions and New Hampshire Lottery responses (Attachment 2 hereto).

- II. Contractor agrees to perform the following services for the Commission:
 - A. For Fiscal Years 2018, 2019, and 2020, the Contractor will provide total communications, advertising, integrated marketing and promotional services to handle Instant scratch games, New Hampshire Powerball, New Hampshire Mega Millions, New Hampshire Hot Lotto, Tri-State Megabucks Plus, Tri-State Pick 3 and Pick 4, New England Lucky for Life, and other games and promotions as introduced, of the Commission account including:
 1. Develop and execute a comprehensive advertising and marketing plan
 2. Creativity and Production Services
 3. Media Services
 4. Public Relations
 5. Retailer Visits
 6. Special Events, Vendor Conferences, Commission Meeting attendance
 7. Creativity and Promotion Services
 8. Internet, Website, and Social Media Services

 - B. The Contractor shall provide the services of the following positions to the Commission as part of the retainer fee:
 1. Client Services
 - a) Strategic Lead
 - b) Strategic Contributor
 - c) Account Supervisor
 - d) Account Planner
 2. Media
 - a) Media Supervisor
 - b) Media Planner
 3. Creative
 - a) Creative Director/Copywriter
 - b) Associate Creative Director/Art
 - c) Multimedia Producer

4. **Public Relations**
 - a) **Public Relations Manager**
5. **Production**
 - a) **Production Services**
6. **Accounting**
 - a) **Accounting**
 - b) **Accounting Staff**
7. **Administration**
 - a) **Administration**

III. Any conflict between the provisions of the RFP and the Proposal shall be construed in favor of the Commission.

EXHIBIT B

**PAYMENT SCHEDULE OF SERVICE FEE FOR ADVERTISING AGENCY OF GYK ANTLER
AND
THE NEW HAMPSHIRE LOTTERY COMMISSION**

I. The maximum amount of this 36 month contract is \$6,510,000.

Fiscal Year 2018	\$2,170,000*
Fiscal Year 2019	\$2,170,000*
Fiscal Year 2020	\$2,170,000*

*Subject to funding approval by the Legislature.

II. Retainer Fee Arrangement:

- A. For Fiscal Year 2018, the advertising agency services are \$29,167 per month (1/12 of the 10% fee of the 2,170,000 budget, or \$350,000 annually).
- B. For Fiscal Year 2019, the advertising agency services are \$29,167 per month (1/12 of the 10% fee of the 2,170,000 budget, or \$350,000 annually).
- C. For Fiscal Year 20 the advertising agency services are \$26,000 per month (1/12 of the 10% fee of the 2,170,000 budget, or \$350,000 annually).
- D. Should additional funds be appropriated for this contract during the contract period, the retainer fee would be 10% of the additional appropriation. That amount would be distributed in equal installments over the remaining months of the contract.
- E. All costs of administration travel to and from the Commission, telephone, shipping of packages, courier services and postage charges are considered to be normal operating expenses to be absorbed by the Contractor.
- F. The Contractor retainer fees may be billed separately at the beginning of each month.

III. Additional Services:

Any additional services such as web sites enhancement, development, animation, additional e-mail programs, or any other projects not specified under the fee schedules as indicated under the previous sections shall be billed to the NHLC at the blended agency fee of \$75 per hour. The agency shall provide the client with written estimates for all projects for approval.

IV. Recurring charges not covered by the retainer fee include sub-contractor expenses for:

- A. Finished Artwork
- B. Photography
- C. Tangible Purchases
- D. Displays
- E. Talent Fees (contracts to be approved in writing by the Commission or designee)
- F. Production Company/Studio Charges

- V. **Special Projects:** Where necessary, major costs not covered by the retainer fee may be incurred for special projects requested by or recommended to the Commission. The Contractor shall provide the Commission or designee(s) with an estimate of project expenses and shall obtain Commission or designee(s) written approval to begin work on such projects.
- VI. **Commission, Rebate, and Discounts:** Any and all commissions, discounts, or rebates relating to the Lottery expenditures under this contract shall be returned to the Commission and documented as either "net rates," shown as discounted line item, or shown as a contracted volume rate. Verification of the above will be made on monthly media statements, and/or agency notations of credit applied to the billing. The Commission shall receive credit for any volume discounts. Advertising shall be placed to obtain maximum volume discounts. All other media billing shall be processed by the Contractor, who shall submit invoices to substantiate media expenditures and to show volume discounts or commissions credited to the Commission.

When a rate structure is to the advantage of the commission, it shall be presented to the Commission as if of contractual approval. The Contractor will make every effort to consolidate all Lottery media commitments to effectuate the best possible volume discount. Prompt payment within acceptable terms to the media to maintain applicable discounts shall be maintained by the Contractor. Lost discounts because of late payments by the Contractor will be the responsibility of the Contractor. Penalties for late payment shall be borne by the Contractor.

It shall be the responsibility of the Contractor to obtain the lowest net rate available through local or other rate structure favorable to the Commission.

Records of media rates and discounts shall be compiled by the Contractor and submitted to the Commission immediately upon approval of this contract by the Governor and Council. Such records are to include the availability of local or national rates, discounts to the Commission and availability of commissions to the Contractor that shall be credited to Commission.

- VII. **Administrative Procedures:** Separated billing and administrative files shall be maintained by the Contractor for the Commission. Contractor shall arrange with the media to have Commission bills on separate invoices, eliminating charges pertaining to other Contractor clients. Contractor shall consent to an audit of its records pertaining to the Commission, at the request of the Commission.

EXHIBIT C

SPECIAL PROVISIONS

- I. **The Commission has the option to renew this contract for a period of one (1) two year period, with the written consent of both parties at the current fee structure, subject to approved funding. The Commission shall notify the Contractor no later than January 30, 2020 whether or not the Commission intends to exercise this option.**

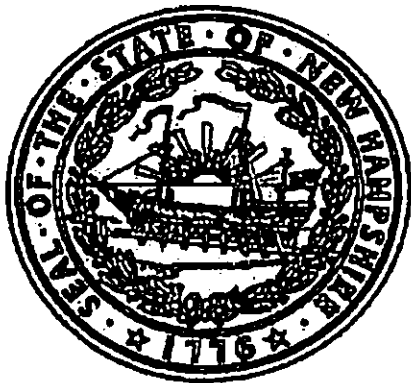
- II. **The Contractor agrees to maintain, and the New Hampshire Lottery Commission agrees to accept general liability insurance in the amount of \$1,000,000 per occurrence, together with an excess/umbrella liability amount of \$2,000,0000.**

**State of New Hampshire
Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRIFFIN YORK & KRAUSE, LLC is a New Hampshire Limited Liability Company registered to transact business in New Hampshire on July 14, 1975. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 16558.



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 25th day of April A.D. 2017.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

GRIFFIN YORK & KRAUSE, LLC

CERTIFICATE OF ASSISTANT SECRETARY

I, C. Daniel Dewey, Assistant Secretary of Griffin York & Krause, LLC, a New Hampshire Limited Liability Company (the "LLC"), do hereby certify that:

1. I maintain and have custody of and am familiar with the seal and minute books of the LLC;
2. I am authorized to issue certificates with respect to the contents of such books and to affix such seal to such certificates;
3. The attached Exhibit A is a true and complete copy of the Consent Resolutions adopted by the sole Member and sole Manager of the LLC in lieu of a meeting of the sole Member and sole Manager dated April 25, 2017 in accordance with the laws of the State of New Hampshire and the Operating Agreement of the LLC;
4. That the resolutions contained therein are in full force and effect and unamended, as of the date hereof; and
5. That the following persons lawfully occupy the offices indicated below:

Travis C. York	Chief Executive Officer, President, Chairman, Treasurer and Assistant Secretary
C. Daniel Dewey	Chief Financial and Administrative Officer and Assistant Secretary
Scott W. Ellison	Secretary and Registered Agent
Michael Wachs	Chief Creative Officer
Jennifer Jonsson	Chief Operating Officer
Brady Sadler	Executive Vice President, Growth & Innovation

IN WITNESS WHEREOF, I have hereunto set my hand as the Assistance Secretary of the LLC
this 25th day of April, 2017.

Rose Longo-White
Witness

Griffin York & Krause LLC

By:

C. Daniel Dewey
C. Daniel Dewey
Assistant Secretary, Chief Financial
and Administrative Officer

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

On April 25, 2017, before the undersigned officer, personally appeared C. Daniel Dewey, the person identified in the foregoing certificate, known to me, or satisfactorily proved to be, the Assistant Secretary of the Corporation identified in the foregoing certificate, and acknowledged that he executed the foregoing certificate. In witness whereof, I hereunto set my hand and official seal.



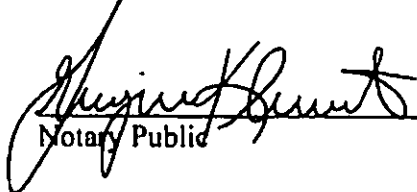

Notary Public

Exhibit A
CONSENT RESOLUTIONS
OF THE SOLE MANAGER AND SOLE MEMBER
OF
GRIFFIN YORK & KRAUSE, LLC

The undersigned, being the sole Manager and sole Member of GRIFFIN YORK & KRAUSE, LLC, a New Hampshire limited liability company (the "LLC"), does hereby waive all notice of the time, place and purposes of a meeting of the sole Manager and sole Member of the LLC and consent, pursuant to the Operating Agreement of the LLC and Section 304-C:60, II of the New Hampshire Limited Liability Companies statute, to the adoption of the following resolutions with the same force and effect as if adopted at a duly convened meeting of the sole Manager and sole Member of the LLC, and hereby directs that this written consent be filed with the minutes of the proceedings of the sole Manager and sole Member of the LLC:

- RESOLVED:** That it is in the best interests of the LLC to enter into a contract with the New Hampshire Lottery Commission (the "NH Lottery Commission") to provide advertising and promotional services (the "Lottery Commission Contract"); and the Lottery Commission Contract is hereby authorized and approved.
- RESOLVED:** That the sole Manager, Travis York and the sole Member, GYK Holdings, LLC, be and hereby are authorized, in the name and on behalf of the LLC, to negotiate the terms of the NH Lottery Commission Contract, other contracts, leases or other agreements, and all amendments and addendums thereto, with the NH Lottery Commission Contract and all such other contracts, leases or other agreements in the name and on behalf of the LLC
- RESOLVED:** That all of the acts of the officers of the LLC heretofore performed for and on behalf of the LLC in connection with the NH Lottery Commission Contract, other contracts, leases or other agreements and any amendments thereto, with the NH Lottery Commission are hereby ratified, confirmed and adopted as the acts of the LLC.
- RESOLVED:** That the Assistant Secretary of the LLC is hereby authorized and directed to deliver to the NH Lottery Commission, or any other State of New Hampshire agency or office, a certificate or certificates attesting to the due adoption of these Consent Resolutions signed by sole Manager and sole Member.

Dated: April 25, 2017

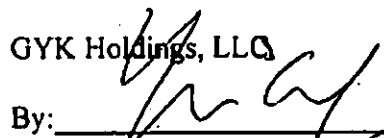
Sole Manager:



Travis C. York

Sole Member:

GYK Holdings, LLC



By: _____
Travis C. York, Manager



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/4/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wieczorek Insurance 166 Concord St. Manchester NH 03104	CONTACT NAME: Kathleen Russell PHONE (AC No. Ext): (603) 668-3311 FAX (AC No.): (603) 668-3011 E-MAIL ADDRESS: Kathy@wisinsurance.com
INSURED Griffin York & Krause, Inc., ETAL 175 Canal St. Manchester NH 03101	INSURER(S) AFFORDING COVERAGE INSURER A: The Travelers INSURER B: Beasley Ins. Co. through RPS INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER: 17-18

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INSD WOOD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:		6889D21811152	1/1/2017	1/1/2018	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 Employee Benefits \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BA7D132662	1/1/2017	1/1/2018	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 3,000		CUP9D4747871543	1/1/2017	1/1/2018	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	Cov: MA & NH 1F0B37360020	1/1/2017	1/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Professional Liability		RENL OF VLA7D3160101	1/1/2017	1/1/2018	\$1,000,000 per occurrence \$10,000 ded. \$1,000,000 aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

New Hampshire Lottery Commission
14 Intergra Drive
Concord, NH 03301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

R Wieczorek/KATHY

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Over \$1.7 billion to education

New Hampshire Lottery Commission

Request for Proposal for Marketing and Advertising Services

November 7, 2016

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New Hampshire Lottery Commission

REQUEST FOR PROPOSAL FOR ADVERTISING/MARKETING SERVICES

1.0 PURPOSE AND INTENT

The New Hampshire Lottery Commission ("NHLC") is requesting proposals for Advertising/Marketing Services, as outlined in this Request for Proposal ("RFP"). Proposal documents shall be submitted to the NHLC in accordance with the instructions and specifications detailed herein.

Specifically, the NHLC is issuing this RFP for a full range of integrated marketing and public relation services pertaining to existing and new traditional Lottery products to further NHLC's overall business plan for sale of Lottery games to generate revenue for public education.

Issuance of this RFP does not constitute a commitment on the part of the NHLC to award a contract pursuant to this RFP. The NHLC reserves the right to reject any and all proposals submitted in response to this RFP, in whole or in part, and to award a contract pursuant to this RFP or cancel this RFP if it is considered to be in the best interests of the NHLC. The NHLC further reserves the right to make changes to this RFP at any time by issuance of written addendum/addenda, amendment(s) or clarification(s). The responsibility is on the interested party, to follow up on any changes to the RFP via the link on our website, specific to this project:

1.1 GOALS OF THE CONTRACT

The Lottery desires to develop a business partnership with an advertising/marketing Service Provider (from this point forward known as "Contractor") to provide effective and efficient product advertising services and related commodities and services to the New Hampshire market in order to sell Lottery games to raise revenue for public education.

To do this job effectively, NHLC must communicate with a number of different audiences at all times:

- Players and prospective players for all Lottery games
- Lottery retailers
- Other audiences such as government leadership, the education community, other state agencies, trade associations, retail establishments and the general public.

The NHLC business programs need to address these audiences with an integrated advertising and marketing communications platform delivering a consistent message to achieve these results.

In creating and executing advertising, the Contractor must be committed to the marketing business objectives as defined by the Lottery:

- Increase sales and awareness of the Lottery brand and games portfolio by expanding participation among current Lottery players, lapsed players and potential players;
- Identifying new player segments introducing new games and promotions as part of the on-going fun and excitement of playing Lottery games.
- Improve Lottery retailer's participation and understanding of NHLC products, promotions, and advocacy
- Improve signage and product presentation at Lottery retail locations
- Increase the general public awareness, understanding and appreciation of NHLC products, promotions and mission to raise revenue for public education
- Provide players with the knowledge on how to play Lottery games, and to purchase and play Lottery games in a responsible manner

- Maintain an active awareness of comparator offerings, particularly in the Digital space, and be able to plan, advise and react effectively

These goals are to be achieved within the framework of an advertising and marketing communications budget of \$17.5 million for a five-year period (the award which results from this RFP is one 3-year contract and one 2-year extension). The NHLC may increase or decrease this budget at any time during the contract period. Each contract year is dependent upon approved funding by the New Hampshire State Legislature.

There are two entities that fund the New Hampshire Lottery marketing and advertising budget: the Tri State Lotto Commission and the NHLC.

The Tri-State products are: Megabucks, Gimme 5, Pick 3, Pick 4, Fast Play as well as an occasional Tri-State scratch ticket. The budget for Tri-State products is approximately \$1.5 million annually.

The other games offered by the NHLC are Powerball, Mega Millions, Hot Lotto, Lucky For Life and the majority of the instant scratch tickets. The budget for New Hampshire products is approximately \$2 million annually.

Dollars from each budget, for the most part, support those products with the understanding that the mission of the NHLC is to maximize revenue for public education.

The NHLC business plan is developed and administered by the Contractor and NHLC. The Contractor awarded the contract will work under the direction of the NHLC Director of Marketing who reports to the NHLC Executive Director.

1.2 MINIMUM QUALIFICATIONS FOR CONTRACTORS

Minimum Qualifications will be evaluated on a Pass/Fail basis. All bidders must demonstrate that they meet or exceed all the Minimum Qualifications or they will no longer be considered in the bidding process. Those qualifications are listed below:

1. Contractor has a fully staffed office with a dedicated team assigned to daily account management, media buying, billing management and creative development. No restriction is placed on where that office may be located, however; the Contractor's office hours must substantially coincide with the office hours of the NHLC to meet daily needs.
2. Contractor must have annual revenues of at least \$15 million for combined services offered in the calendar year 2015 or for the company's most recent fiscal year for which their latest audited financial statement is available.
3. Contractor's active client list has included a minimum of 7 accounts for each of the last 3 years.
4. Contractor has provided integrated traditional, social, digital and retail capabilities to three or more clients, each with annual billings exceeding \$1 million.

1.3 SERVICES AND ACTIVITIES EXPECTED FROM THE CONTRACTOR

Specific services the Contractor awarded this contract will be expected to provide are:

- Creation, production and placement of an advertising program
- Involvement in the NHLC business development, specifically games, promotions, special events, retail display and field communications, to ensure integration of marketing program goals and concepts across communication platforms
- Research and development for continual refinement of the Lottery player segments and identifying new segments

- Strategic planning of annual media calendar and new communication channels
- Identify and recommend cost savings/efficiencies in all areas of the business
- Creation and production of POS and promotional materials
- Media negotiating for achieving maximum statewide competitive rates for traditional/non-traditional media and sponsorships
- Media planning, buying and execution, maintaining on-going cost database tracking and post-buy performance/efficiency analysis on a seven-day-a-week, 52-week basis
- Identify and cultivate potential strategic corporate alliances
- Advertising effectiveness analysis/optimization based on key performance Indicators (KPI's)
- Promotion development and management oversight to handle a variety of projects including media-driven promotions, retail sweepstakes/contests and local on-site events
- Dedicated creative and production staff focused specifically on the Lottery account, properly resourced to provide expedient turnaround on projects and customer requests
- Dedicated daily account management team with in-depth attention to organizing, planning, supervising and reviewing all NHLC projects and budgets
- Participate in a quarterly planning and budget review meetings with NHLC to ensure direction and budget adherence
- Development of specific reports that may include Weekly Status, Budget Updates, POS Status, etc.
- Annual Budget planning and projections
- Full-service strategic planning communications, brand protection and public relations support

1.4 ESTIMATED SCHEDULE

Listed below are the estimated critical dates for proposal submission, evaluation and procedures:

- November 7, 2016 RFP issue date
- December 9, 2016 Deadline for RFP-related questions from interested Candidates
- December 29, 2016 Deadline for responses to RFP-related questions to all interested Candidates that submitted questions
- February 1, 2017 4 PM Deadline for proposal submissions (separate written Technical and Cost Proposals)
- April 2017 On-site Visits/Finalists Oral Presentations
- April 2017 Recommendation of winning vendor to New Hampshire Lottery Commission
- April 2017 Governor & Council Approval Process
- July 1, 2017 Start of new advertising/marketing Contract

1.5 COMMUNICATIONS WITH THE NEW HAMPSHIRE LOTTERY COMMISSION

This RFP has been issued on November 7, 2016. All inquiries concerning this RFP, including but not limited to, requests for clarifications, questions and any changes to the RFP, shall be emailed, citing the RFP title, page, section and paragraph and submitted to the following RFP Point of Contact.

All questions and requests for clarification must be submitted in writing via mail, fax or e-mail by Friday, December 9, 2016 at 4:00 PM. The NHLC will respond to all written questions and requests via mail, fax or e-mail, submitted by the December 9 deadline by December 29, 2016 to all Contractors that sent in questions. The NHLC is not responsible for illegible, lost or mis-directed mail, faxes or emails.

The Purchasing Agent is to be the sole point of contact regarding this RFP at the NHLC for Contractors, effective with the date of release of this RFP and until a Contractor is selected to provide Advertising/Marketing Communication Services. Contact with any representative of the NHLC, other than the RFP Administrator, regarding this RFP may result in disqualification.

The NHLC's RFP Purchasing Agent/Point of Contact is:

Candy Burke, Purchasing Agent
New Hampshire Lottery Commission
14 Integra Drive
Concord, New Hampshire 03301
Telephone: (603) 271-7116
candy.burke@lottery.nh.gov

2.0 PROPOSAL PREPARATION

Each Contractor is to follow the instructions contained in this document for preparing and submitting a proposal.

2.1 CONTRACTORS CONFERENCE

The NHLC is not planning to hold a Contractors Conference to clarify, elaborate, modify and answer any questions regarding the RFP, at this time.

2.2 WRITTEN TECHNICAL AND COST PROPOSAL DUE DATE AND DELIVERY

Separate written Technical and Cost Proposals as described in Section 3.0 and signed by a person authorized to represent the Contractor must be received at the New Hampshire Lottery Commission by 4:00 PM on February 1, 2017.

A corporate representative for the Contractor who is authorized to contractually bind the Contractor must manually sign all copies of the proposal. The Contractor must also provide the NHLC with the name, business address, and business telephone number of a person who will act as the contact person for all inquiries that the NHLC may have during the proposal evaluation process. Such person shall be authorized to make representations for and bind the Contractor contractually.

Delivery of three (3) copies of the proposal with original signatures and one (1) USB flash drive or disk containing a PDF version (or other suitable format), to the PURCHASING AGENT at the above address in Section 1.5 is due no later than 4:00 P.M. on Wednesday, February 1, 2017. Proposals received by the NHLC PURCHASING AGENT after this date and time will be rejected, without exception. No provisions are made for extenuating circumstances in this RFP.

ALL PROPOSALS MUST BE SUBMITTED IN A SEALED ENVELOPE OR BOX AND PROPERLY ADDRESSED TO THE PURCHASING AGENT AT THE NHLC.

It is the Contractor's responsibility to assure that its proposal is delivered at the proper time and place, as specified in this RFP. Proposals which, for any reason, are not so delivered will not be considered by the NHLC. Late proposals will not be accepted; they will be returned unopened to the responding Contractor. Proposals transmitted by telephone, fax, or any electronic service such as email will not be accepted. A proposal may not be altered after delivery, unless requested by the NHLC.

It is recommended that certified mail, return receipt requested, or a courier service that provides a signed receipt with time and date of delivery be used.

2.3 FORMAT OF PROPOSALS AND SIGNATURES

Proposals should be submitted in sufficient detail to provide the NHLC Evaluation Committee with a concise description of Contractor capabilities and methods designed to satisfy the requirements of the RFP assignment.

The proposals should be in two separate volumes as follows:

Volume I – Written Technical Proposal as set forth in section 3.1 and 3.2

Volume II – Written Cost Proposal as set forth in Section 3.2 per Attachment B

The Cost Proposal **must be submitted in a sealed enclosure** separate from the written Technical Proposal and must be clearly marked as a Cost Proposal on the outside of the enclosure. The NHLC Evaluation Committee will not open the Cost Proposals until after the Technical Proposal evaluations have been completed.

2.3.1 Contractors under Common Ownership or Joint Proposals

The Contractor must list the names and addresses of any companies that operate under common ownership which may be used to provide some of the services required in Section 1.3 of this RFP or which offer specific capabilities in areas which may be advantageous to the NHLC integrated marketing communication needs.

The Contractor must list the names and addresses of any companies that are providing a joint proposal to meet the RFP standards. If submitting a joint proposal, please identify one person from a company along with the name and address of the company that will be the Contractor's corporate representative for this RFP.

2.3.2 Litigation and Investigations

Each Contractor must include in its proposal a complete disclosure of any civil or criminal litigation or investigation pending involving the Contractor. This is a continuing disclosure requirement: any litigation or investigation commencing after submission of a proposal must be disclosed in a written statement to the NHLC.

2.3.3 Changes of Financial Condition

If a Contractor who has submitted a proposal in response to this RFP experiences a substantial change in financial condition prior to the award of the Contract pursuant to this RFP, or if a successful Contractor experiences a substantial change in financial condition during the term of the Contract with the NHLC, the NHLC must be notified in writing at the time the change occurs or is identified. Failure to notify the NHLC of such a change may result in rejection of the Contractor's proposal or termination of the Contract.

2.3.4 Equal Opportunity

The NHLC prohibits discrimination on the basis of race, color, gender, religion, national origin, or disability in connection with employment of any person, or the award of any contract with the corporation.

The NHLC will provide equal opportunities without regard to race, color, gender, religion, national origin, or disability, by requiring that any Contractor doing business with the corporation provide equal opportunity to persons and businesses employed by, or contracting with the supplier of products and services to the Commission.

2.4 NON-MATERIAL AND MATERIAL DEVIATIONS

Failure to furnish all required information or to follow the RFP format specified may disqualify a proposal. The NHLC may waive any minor irregularities or non-material deviations in a proposal. The NHLC's waiver shall in no way excuse the Contractor from full compliance with the Contract requirements if the Contractor is awarded the Contract.

2.5 INFORMATION FROM OTHER SOURCES

The NHLC reserves the right to obtain from sources other than the Contractor information concerning a Contractor which the NHLC deems pertinent to this RFP and to consider such information in evaluating the Contractor's proposal.

2.6 INTERVIEWS, QUESTIONS AND NEGOTIATIONS

The NHLC reserves the right to ask any or all Contractors to clarify any portion of their proposals after submission. Clarification response shall be in writing and shall address only the information requested. Responses shall be submitted to NHLC within the time required.

Furthermore, the NHLC also reserves the right to negotiate with any or all Contractor(s) in any manner deemed necessary or appropriate by the NHLC to serve its best interests of the NHLC.

2.7 RFP AND PROPOSAL CONTENTS DISCLOSURE PROHIBITION

Disclosure by a Contractor of any of the RFP and proposal contents prior to award of a Contract under this RFP may result in disqualification.

2.8 ADVERTISING AND NEWS RELEASES

In submitting a proposal, the Contractor agrees not to use the results thereof, including the Lottery's name, logos, images, or any data arising from the RFP process of Contract, as a part of any commercial advertising without the prior written consent of the NHLC. The NHLC is the only entity authorized to issue news releases relating to this RFP, its evaluation, and the award of any contract and performance there under. Under no circumstances shall any Contractor issue any such news releases without the express prior written consent of the NHLC in each instance.

2.9 COST LIABILITY OF PROPOSALS

The NHLC is not responsible or liable for any of the costs incurred by any Contractor in preparing and/or submitting a proposal pursuant to this RFP.

2.10 ACCEPTANCE OF PROPOSAL BY THE NHLC

The NHLC reserves the right to accept or reject any and all proposals and to award a Contract pursuant to this RFP in the best interests of the NHLC and the State of New Hampshire. The NHLC also reserves the right to negotiate with any or all Contractor(s) in any manner necessary to serve the Commission's best interests.

2.11 NON-EXCLUSIVE RIGHTS

By this RFP, the NHLC does not intend to grant any Contractor the exclusive rights to provide all materials and services required by the NHLC during the period covered by any Contract resulting from this RFP. If the NHLC determines that contract fulfillment and compliance by various Contractors is in the NHLC's best interest, the NHLC shall have the right to

purchase, contract for, and obtain materials and services from multiple Contractors without infringing upon or terminating any other Contract resulting from this RFP.

2.12 PROPOSAL TENURE

All proposals will be an irrevocable offer for one hundred and twenty (120) calendar days from the proposal due date.

2.13 OWNERSHIP OF PROPOSALS

All proposals will become the property of the NHLC and will not be returned to the Contractors. The NHLC reserves the right to use any and all information contained in a proposal to the extent permitted by law.

If the Contractor asserts that any portion of the proposal contains copyrighted material, trade secrets or any other information in which the Contractor asserts a proprietary interest, each individual page containing proprietary material must clearly mark those portions of that page which are proprietary and failure to do so shall be deemed a waiver of such rights.

Any proposal that is marked proprietary in its entirety or substantially in its entirety may be rejected by the NHLC. The NHLC will make a determination whether information marked as proprietary is exempt from the public disclosure under the Open Records Act and the NHLC is not bound by any proprietary marking alone.

2.14 INTERPRETATIONS AND DISPUTES

Any questions concerning conditions and specifications in this RFP shall be directed in writing to the NHLC Purchasing Agent. Inquiries must reference this RFP and the date that delivery of the proposal is due to the NHLC Purchasing Agent.

No interpretation shall be considered binding unless provided in writing by the NHLC through the NHLC Purchasing Agent. Any actual or prospective Contractor which disputes the reasonableness or appropriateness of the terms, conditions, and specifications of the RFP or any action taken by the NHLC in connection with this RFP or the contract to be awarded pursuant hereto, must first pursue and exhaust any and all remedies available to it in accordance with the dispute resolution procedures adopted by the NHLC, as amended from time to time. Any appeal of any decision of the Commission of the NHLC must be made in accordance with such dispute resolution procedures.

2.15 PROPOSALS SUBJECT TO OPEN RECORDS

All data, material and documentation originated and prepared for the NHLC pursuant to this RFP shall belong exclusively to the NHLC and may be available to the public in accordance with the New Hampshire statute CHAPTER 91-A ACCESS TO GOVERNMENTAL RECORDS AND MEETINGS, as amended. However, in accordance with the referenced statute, the NHLC will make reasonable attempts to maintain the confidentiality of any trade secrets or proprietary information identified by a Contractor if such Contractor properly identifies the particular data or other materials which are trade secrets or proprietary information in writing by page, paragraph and sentence prior to or upon submission to the NHLC of the data or other materials to be protected. The Contractor should also state the reasons such confidentiality is necessary. However, under no circumstance will the NHLC be liable to any Contractor or to any other person or entity, for any disclosure of any such trade secret or confidential information. The NHLC may not consider proposals in which all or a substantial portion of the proposal is declared by the Contractor to constitute trade secrets or confidential information.

3.0 COMPONENTS OF PROPOSAL

The components of the proposal shall include separate written Technical and Cost Proposals and, if the NHLC deems necessary, an Oral Presentation.

The separate written Technical and Cost Proposals will be evaluated by the NHLC Evaluation Committee based on the criteria and procedures specified in Section 4.

3.1 WRITTEN TECHNICAL PROPOSAL (Volume 1)

Each Contractor shall submit to NHLC a written proposal with appropriate exhibits for:

- Proposal signature and certification letter (**Attachment A: Transmittal Letter**)
- Business organization (see 2.3.1)
- Disclosure of litigation (see 2.3.2)
- Change of financial condition (see 2.3.3)
- Response to specifications as set forth in Section 3.1
- A one page overview of the Contractor's business credentials
- A NHLC requested creative assignment (see 3.2) including advertising, promotion, retail display, digital/social and recommendations for other areas such as experiential, and event sponsorship
- A NHLC account staffing plan, including dedicated and shared staff members, with percentage of time allocated for each person proposed. Please provide an organization chart with resumes for the proposed staff.

3.2 Creative Assignment (Volume 1)

From one of your legacy clients/products (minimum of advertising for a 3 year period) please provide no more than a five-page document on how you have advertised/marketed this product on behalf of your client. Please provide us a general idea as to how this product was presented to you by your client, what their goals were for the product, what you did to advertise/market the product and what were the end results.

As to what that product is and what details you provide to us, it is up to you. The Lottery is interested in seeing how you supported the product, the goals of the client/product and how/if you achieved those goals.

You may provide us with accompanying documentation (which will not be considered part of the five-page document) which is not limited to:

- Point of sale materials
- Social media campaign
- Email campaign
- Digital advertising materials
- Television Advertising
- Radio advertising
- Other

3.3 COST PROPOSAL (Volume II)

Contractors are required to submit this section of the proposal under separate cover (see Section 2).

The NHLC has a commission based structure with its current advertising agency. As a high profile account, the NHLC is especially committed to maximizing the effectiveness and efficiency of its advertising investment. To achieve this goal, the NHLC expects a preferred customer fee status.

Please complete **Attachment B: Schedule of Proposed Costs and/or Fees** and include:

A proposed fee structure is preferred for this account. The fee shall cover the following:

- Account executive and support personnel (includes social media time)
- Media proposals and purchasing*
- Production of elements (POS pieces, social media graphics, scripts for television, radio, digital graphics, etc.)
- Administration of the account on a daily basis

(*Note: All media purchases will be net the account discount provided).

Any other costs or methods for handling special billing projects that may have hourly rates, prior to the project being approved, Contractor will provide a cost estimate which will include total cost breakdown for the project.

4.0 EVALUATION OF PROPOSALS

The NHLC has established an Evaluation Committee that will be responsible for evaluating the bids received from responding Contractors. The Evaluation Committee will establish uniform criteria by which all proposals will be "scored":

- Based on the criteria described Section 4.2, evaluation of the written Technical Proposals and selection of up to four finalists
- At the option of the NHLC Evaluation Committee, visits to the finalists' sites.
- Based on the criteria in Section 4.4, evaluation of the written Cost Proposals
- Based on the criteria on Section 4.5, determination of the strongest proposal for recommendation the NHLC Commission.

While price will be an important factor, it alone will not be the deciding factor in the selection process.

4.1 EVALUATION COMMITTEE

The Evaluation Committee will consist of NHLC experienced staff members representing different disciplines within the NHLC, including Finance, Marketing and Corporate Affairs.

4.2 EVALUATION OF WRITTEN TECHNICAL PROPOSAL

Each written Technical Proposals will be evaluated with a maximum of seventy (70) points to be awarded according to the following criteria:

1. Background and Experience

- Depth and relevance of overall experience, extent of services offered, demonstration of capabilities to support the projects and activities described in Sections 1.2 – 1.3

2. Creative Assignment

- Creative assignment evaluation with respect to originality and clarity of strategic thinking as well as execution of assignment, including but not limited to advertising, promotion, retail display, digital/social, experiential, and event sponsorship, media for the legacy product as described in section 3.2

3. Management and Account Staffing

- Comprehensiveness, experience, competence and relevance of agency and account staff to meet NHLC requirements

Based on these criteria, the Evaluation Committee will rank the proposals in order of maximum points awarded and select at least 2 but not more than 5 of the highest scoring proposals to consider for Oral Presentations/On-Site Visits depending on how technical scores are clustered.

4.3 ON-SITE VISITS/FINALIST ORAL PRESENTATIONS

At their discretion the NHLC Evaluation Committee may elect to make an on-site visit to each of the finalists' facilities during April, 2017 (approximate date). The Purchasing Agent will notify the finalists by April 1, 2017.

During these visits or during presentations at the NHLC, each of the finalists will be required to make oral presentations of their written technical Proposal in order to provide the NHLC Evaluation Committee with a better understanding of the advertising capabilities and compatibility of each finalist.

Finalists will not be allowed to modify their original proposals for these presentations.

Finalists will be allowed to present samples of creative materials such as commercials, print, graphics, etc. which have been used to illustrate concepts as well as any other media, research or other materials submitted in the written Technical Proposal.

It is particularly important for the Evaluation Committee to meet not only senior management but also the staff individuals who will be assigned to handle the NHLC advertising account on a daily basis – given the labor intensive nature of the account and the need for a strong collaborative working relationship.

The On-Site Visits/Oral Presentations process is designed to showcase the Contractor's capabilities. The NHLC may deduct points as necessary from the Technical Proposal if the On-Site Visits/Oral Presentations indicate that parts of the Technical Proposal are inaccurate or are not validated; conversely, if the NHLC determines that the On-Site Visits/Oral Presentations have demonstrably enhanced the technical Proposal, points may be added. Once those presentations are completed, the Evaluation Committee will incorporate any new information into the Technical Proposal scoring and determine a final Technical Proposal scoring for each Contractor.

Coincidental with the On-Site visits/Oral Presentations, the NHLC will may make preliminary background checks into each of the finalists (see Section 5.1).

4.4 EVALUATION OF COST PROPOSALS

After the Technical Proposal evaluation is complete as well as on-site visits and finalist oral presentations, the Evaluation Committee will open the Cost Proposals and conduct an evaluation.

The Cost Proposals will be ranked with the maximum points awarded to the lowest Cost proposal with the next lowest Cost Proposals awarded proportionately less points on their values relative to the lowest Cost Proposal.

4.5 FINAL SCORING OF PROPOSALS

After the Cost Proposal evaluation is complete, the Evaluation Committee will combine the Technical Proposal and Cost Proposal scores for each Contractor to achieve a final ranking of the finalists. The Evaluation Committee will recommend to the NHLC Commission that contract negotiation be entered into with the bidder who has the maximum number of points out of one hundred (100) possible points.

5.0 CONTRACT AWARD

Subject to approval by the NHLC Commission and further approval by the Governor and Executive Council, a contract will be negotiated and awarded to the Contractor(s) whose proposal(s) is determined to be the most advantageous for the NHLC, considering all the conditions set forth in this RFP, and which the NHLC believes provides the greatest long-term benefit to the State of New Hampshire, the greatest integrity for the NHLC, and the highest quality advertising/marketing communications services at the "best price/value."

5.1 CONTRACTOR BACKGROUND INVESTIGATIONS

The Contractor selected may be required to pass a security and financial responsibility background check as well as possible security and criminal background investigation.

5.2 BASIS OF CONTRACT AWARD AND ELEMENTS

The contents of the proposal of the successful Contractor(s), any written questions and answers regarding this RFP and any correspondence between the NHLC and the competing Contractors regarding this RFP process will become part of any contract awarded to the extent that such documents conform to the RFP and accepted by the NHLC.

The contract negotiated between the NHLC and the successful Contractor(s) shall include as integral parts thereof:

- This RFP
- Amendments to this RFP
- Any questions from the Contractors and responses from the NHLC
- The vendor's proposal
- State of New Hampshire P-37

In the event of a conflict in language between any of these documents, the provisions and requirements set forth and referenced in the RFP and its amendments shall govern. In the event that an issue is addressed in the proposal that is not addressed in the RFP, no conflict in language shall be deemed to occur.

Any alterations, variations, changes or modifications or waivers of or to provisions of this Contract shall only be valid when they have been reduced to writing and duly executed and approved by each of the parties.

5.3 CONTRACT TERM AND RENEWAL OPTIONS

It is contemplated that the Contract(s) to be awarded as a result of this RFP will be for an initial term of three (3) years and will be budgeted at approximately \$10.5 million - \$3.5 million for each year of the three-year period.

At the end of the initial term, a subsequent renewal term shall be reviewed and negotiated. If renewed, the extension will be for a period of one two (2) year term unless the NHLC delivers a written termination notice to the other party at least thirty (30) days prior to the end of the initial term or the then current renewal term.

Each contract year is dependent upon approved funding by the New Hampshire State Legislature.

5.4 PRIME CONTRACTOR RESPONSIBILITIES

The Contractor will assume the sole responsibility for all goods and services offered in the proposal whether or not it is the ultimate supplier of the same. NHLC will consider the Contractor to be the sole point of contact with regard to contractual matters. For certain areas, the proposal may include additional organizations which will be expected to work with the Contractor in providing these services.

5.4.1 Non -Assignment of Rights

Any award resulting from this RFP cannot be assigned in whole or in part without the prior written approval of the NHLC.

5.4.2 Subcontract Approval

Any proposed subcontracts during the contract period shall be subject to the prior approval of the NHLC and shall include such contracting and purchasing requirements as shall be binding on the Contractor.

5.4.3 Performance Bond or Letter of Credit

The successful Contractor must post a performance bond or irrevocable letter of credit in the amount of \$500,000 with the NHLC for this Contract unless such bond or letter of credit is replaced by an alternative security in the same amount. The performance bond or letter of credit or alternative security shall be posted at the execution of the contract.

5.4.4 Financial Commitments on behalf of the NHLC

The Contractor will make no financial commitment on behalf of the NHLC during the contract period without having prior written approval from an authorized representative of the NHLC.

5.4.5 Work and Changes in Work Authorizations

By written or oral requests by an authorized representative of the NHLC to any member of the Contractor, the NHLC will authorize work and, from time to time, make changes in the work or services to be provided by the Contractor or the place of delivery or performance of such services or any requested deliverables. The Contractor shall promptly comply with such requests and take all the necessary or appropriate actions to effect such change.

5.4.6 Competitive Bidding Requirements

The Contractor may be asked provide at least three (3) bids for outside supplier expenditures for printing, broadcast production, merchandising or any other products or services the NHLC designates when such purchases exceed Five Thousand and 00/100 Dollars (\$5,000.00).

5.4.7 Copyright and Trademark Registrations of Advertising Materials/Ownership of Work

When requested by the NHLC, the Contractor will obtain copyright and trademark registrations on behalf of the NHLC for all appropriate advertising materials.

Work done on behalf of the NHLC will become property of and be owned by the NHLC.

5.5 INDEMNIFICATION

The Contractor agrees to indemnify, defend and hold harmless NHLC, its director and commissioners, the State of New Hampshire and its agencies and political subdivisions, and their respective agents, officers, and employees, against any and all suits, damages, expenses (including, without limitation, court costs, attorney's fees, and other damages), losses, liabilities and claims of any kind, caused by or resulting from any breach of the Contract or any other act or omission of the Contractor, subcontractors, or any of the Contractor's or subcontractor's respective agents or employees, whether the same may be the result of negligence, responsibility under strict liability standards, any other substandard conduct or otherwise.

5.6 ACCESS TO RECORDS

The NHLC shall have the right, at any time and from time to time, to audit all of the Contractor's procedures, using the NHLC employees, its designees or state agencies, as provided by law.

The Contractor shall maintain all books, documents, papers, accounting records and other evidence pertaining to the services to be performed under the Contract in accordance with any applicable procedures established by the NHLC from time to time. The Contractor shall make all such materials available, at its offices at all reasonable times during the Term of the Contract and for five (5) years after the date of final payment under the Contract, for inspection by the NHLC, or any authorized representative of the NHLC, and copies thereof shall be furnished to the NHLC by the Contractor, at no cost to the NHLC, if requested by the NHLC.

The Contractor, upon the NHLC's request, shall make available to the NHLC authenticated requisitions for payment, including, without limitation, invoices from suppliers, and proof of payment to third parties for all work and services on behalf of the NHLC's account.

All documents, papers, letters or other materials relating to the Contract that are made or received by the Contractor and required to be maintained, must be available for public access and for audit purposes in accordance with Chapter 91-A Access to Governmental Records and Meetings, of the Revised Statutes Annotated, of the State of New Hampshire.

5.7 FORCE MAJEURE

In the event that either party is unable to perform any of its obligations under the Contract, or to enjoy any of its benefits because of natural disaster, actions or decrees of governmental bodies or communication line failure, or other events of force majeure not the fault of the affected party, the affected party shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, each party's obligations under the Contract shall be suspended immediately. In addition to the rights of NHLC or the Contractor to terminate the Contract as set forth therein, if the period of non-performance exceeds thirty (30) days from receipt of notice of an event described in this section, the party whose ability to perform has not been so affected may terminate the Contract by giving written notice thereof to the other party.

5.8 TERMINATION

Any Contract awarded as a result of this RFP may be terminated by either party, in whole or in part, for any reason or no reason, upon delivery to the other party of a notice of termination specifying the extent to which performance under the Contract is terminated at least ninety (90) days prior to the effective date of the termination.

REQUEST FOR PROPOSAL FOR ADVERTISING/MARKETING COMMUNICATION SERVICES

RFP ATTACHMENTS

- A: REPLY CERTIFICATION LETTER (TO BE RETURNED WITH THE PROPOSAL)
- B: SCHEDULE OF PROPOSED FEES
- C: HISTORICAL BACKGROUND OF THE NHLC
- D: THE NHLC ORGANIZATION CHART
- E: THE NHLC PRODUCT LINES
- F: GLOSSARY OF LOTTERY GAME TERMS

Pages 29 to 32 STATE OF NEW HAMPSHIRE P-37

Attachment A

New Hampshire Lottery Commission RFP Advertising/Marketing Services

Reply Certification Letter

NOTE: PLEASE ENSURE THAT ALL REQUIRED SIGNATURE BLOCKS ARE COMPLETED. FAILURE TO SIGN THIS FORM AND INCLUDE IT WITH YOUR PROPOSAL WILL RESULT IN REJECTION OF YOUR PROPOSAL.

NEW HAMPSHIRE LOTTERY CORPORATION (The "NHLC")

PROPOSAL

We propose to furnish and deliver any and all of the deliverables and services named in the Request for Proposal ("RFP") for Advertising/Marketing Services. The terms offered herein shall apply for the period of time stated in the RFP.

We further agree to strictly abide by all of the terms and conditions contained in the RFP and the New Hampshire Lottery Commission, established by RSA 284:21, as amended from time to time. Any exceptions are noted in writing and included with our proposal.

It is understood and agreed that we have read the New Hampshire Lottery Commission's ("NHLC's") specifications shown or referenced in the RFP and that this proposal is made in accordance with the provisions of such specifications. By our written signature on this proposal, we guarantee and certify that all items included in this proposal meet or exceed any and all of the NHLC specifications, including but not limited to quality of products, fair and competitive value and timeliness of execution. We further agree, if awarded a contract, to deliver goods and services that meet or exceed the specifications.

PROPOSAL SIGNATURE AND CERTIFICATION

(Authorized representative must sign and return with proposal)

I certify that this proposal is made without prior understanding, agreement, or connection with any corporation, Contractor, or person submitting a proposal for the same materials, supplies, equipment, or services and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of State and Federal Law and can result in fines, prison sentences, and civil damage awards. I understand and agree to abide by all conditions of the RFP and this proposal and certify that I am authorized to sign this proposal for the responding Contractor.

Date: _____

Authorized Signature: _____

Print Name: _____

Title: _____

Company Name: _____

Address: _____ TEL: _____

Please complete Attachment B: Schedule of Proposed Costs and/or Fees and include:

The NHLC has a retainer fee based structure with its current advertising agency.

The fee proposed by the Contractor should include the following account personnel as well as the approximate hours per month worked on the account:

Area of Service to the Account:	Estimated Hours Per Month:
1. Client Services	
a. Strategic Lead	_____
b. Strategic Contributor	_____
c. Account Supervisor	_____
d. Account Planner	_____
2. Media	
a. Media Supervisor	_____
b. Media Planner	_____
3. Creative	
a. Creative Director	_____
b. Associate Creative Director/Copywriter	_____
c. Multimedia Producer	_____
4. Public Relations	
a. Public Relations Manager	_____
5. Production	
a. Senior Vice President, Production Services	_____
6. Accounting	
a. Accounting	_____
b. Accounting Staff	_____
7. Administration	
a. Administration	_____
8. Other	_____

Proposed Monthly Fee: _____

Attachment C:

New Hampshire Lottery Overview:

The mission of the New Hampshire Lottery Commission is to raise revenue to maximize contributions to education for the State of New Hampshire through the sale of lottery tickets/products. This is accomplished by providing entertaining games through a dynamic business enterprise built upon honesty, integrity, innovation and teamwork. Lottery ticket/product sales began in March, 1964. Since then, the NHLC has contributed more than \$1.7 billion to education and has grown fiscal year sales to greater than \$300 million, making it one of the most successful sales and marketing organizations in the State.

Other highlights of FY16 include (for purposes of this RFP, NHLC Fiscal Year (FY) is based upon the time period of July 1 through June 30):

- \$307+ million in sales, an increase of almost 8 % over FY15
- \$193 million in prizes paid to players in FY15
- \$75.8 million in net profit for education, up 2% over FY15
- \$6 billion in total sales since inception
- Almost \$1.8 billion in total earnings for education since inception
- Paying \$18 million in sales and other commissions to retailers in FY15.

The NHLC has achieved growth in sales and return to education every year from 2010 through 2016. Critical to this success is the NHLC's relationship with its approximate 1,250 licensed retailers which include convenience stores, grocery stores, liquor stores and other community based commercial enterprises. A sales force of 16 personnel operating out of corporate headquarters provide support service to the NHLC's growing retailer base.

Ticket sales are the engine that powers the NHLC's performance as a significant part of the New Hampshire economy. The NHLC offers various games of chance which are divided into two distinct categories: scratch games and draw games.

Scratch Tickets – The NHLC typically creates and distributes up to fifty or more scratch ticket games per year ranging in price from \$1 to \$30. Scratch tickets offer players the opportunity to scratch off a latex cover and immediately see if they have won a prize. The NHLC's goal is to keep these games fresh and to offer a wide variety of tickets based on theme, price point and play style. From FY 11 through FY 16, the NHLC has taken steps to improve the overall portfolio of scratch games and their prizes resulting in FY 16 ticket sales exceeding \$215 million. Within the past 3 years, the NHLC implemented a monthly launch strategy for instant tickets releasing games on the first Monday of each month and once again achieved record scratch ticket sales. Scratch ticket sales account for 70% of the NHLC's total gross revenue.

Draw Games – The current draw game product mix consists of Pick 3, Pick 4, Tri-State Gimme 5, Tri-State Megabucks, Lucky For Life, NH Hot Lotto, NH Mega Millions, and NH Powerball. Tickets are generated from a Lottery terminal (either from counter sales or self-service vending machines) for specific draws as requested by lottery players. Winning tickets typically must match the numbers drawn for that particular game for the corresponding drawing date and time. With the help of a TV draw station partner in the state, the NHLC currently airs the drawings of Mega Millions and Powerball on WBIN. Both games air the drawings of their game specific websites. Pick 3, Pick 4, Tri-State Gimme 5 and Tri-State Megabucks are drawn at New Hampshire Lottery headquarters on behalf of the Maine, New Hampshire and Vermont Lotteries. Drawings are produced and uploaded to NHLC's website (nhlottery.com) for viewing. Draw games play a significant role in the NHLC's sales and return to education. A record Powerball jackpot of \$1.6 billion in January, 2016, resulted in New Hampshire weekly Powerball sales exceeding \$6.7 million and generated more than \$1.5 million for education.

Draw Games – Pick 3

Pick 3 is a three-digit numbers game offered two times per day, seven days a week. Daytime drawings are posted on the NHLC's website and can be viewed shortly after the daily 1:10pm drawing. Evening drawings are posted on the NHLC's website and can be viewed shortly after the daily 6:55 pm drawing. Pick 3 winning numbers are selected via a ball drawing machine. Pick 3 can be played for fifty cents up to \$5.00 (fifty cent increments) and players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Pick 3 can be played in a variety of ways and players win a fixed prize amount. To play Pick 3, players select any three-digit number between 000 and 999. Players can then select a play type. To win with an EXACT play type, a player's ticket must match the winning three-digit number in exact order. To win with an ANY ORDER play type, a player's ticket must match the winning three-digit number in any order. PAIR play types, known as FRONT PAIR or BACK PAIR, can be played by selecting the first two digits (front pair) or the last two digits (back pair) of a three-digit number. To win, a player's ticket must match the selected two digits (pair) of the winning three-digit number. In addition, a play type known as single digit may be selected. To win, the single number selected matches the winning number in the exact position. Other features of the Pick 3 game include advance play options that allow future play up to two times per day for 3 weeks or twenty-one days.

Draw Games – Pick 4

Pick 4 is a four-digit numbers game offered two times per day, seven days a week. Daytime drawings are posted on the NHLC's website and can be viewed shortly after the daily 1:10pm drawing. Evening drawings are posted on the NHLC's website and can be viewed shortly after the daily 6:55 pm drawing. Pick 4 winning numbers are selected via a ball drawing machine. Pick 4 can be played for fifty cents up to \$5.00 (fifty cent increments) and players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Like Pick 3, Pick 4 can be played in a variety of ways and players win a fixed prize amount. To play Pick 4, players select any four-digit number between 0000 and 9999. Players can then select a play type. To win with an EXACT play type, a player's ticket must match the winning four-digit number in exact order. To win with an ANY ORDER play type, a player's ticket must match the winning four-digit number in any order. PAIR play types, known as FRONT PAIR, MIDDLE PAIR or BACK PAIR, can be played by selecting the first two digits (front pair), the middle two digits (middle pair) or the last two digits (back pair) of a four-digit number. To win, a player's ticket must match the selected two digits (pair) of the winning four-digit number. In addition, a play type known as single digit may be selected. To win, the single number selected matches the winning number in the exact position. Other features of the Pick 4 game include advance play options that allow future play up to two times per day for 3 weeks or twenty-one days.

Draw Games – Tri-State Gimme 5

Tri-State Gimme 5 is a five-digit game, multi-jurisdictional lottery game with a fixed jackpot prize of \$100,000 and a player wins by matching all five numbers drawn. Like Pick 3 and Pick 4, drawings are held three days a week of Monday, Wednesday and Friday. Tri-State Gimme 5 drawings occur three times per week and are posted on the NHLC's website. They may be viewed shortly after the daily 6:55 pm drawing. Tri-State Gimme Cash 5 winning numbers are selected via a ball drawing machine. Each play costs \$1.00 and players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. To play Tri-State Gimme Cash 5, players select any five numbers between 1 and 39. To win a prize, a player's ticket must match 2, 3, 4, or all 5 of the numbers drawn. Matching all 5 numbers wins the jackpot prize and matching fewer than 5 numbers wins a lesser prize. Tri-State Gimme Cash 5 offers fixed prizes. If there is more than one winner for the jackpot prize level, the \$100,000 prize will be split.

Draw Games – Tri-State Megabucks

Tri-State Megabucks is a twice-weekly, multi-jurisdictional lottery game with drawings on Wednesdays and Saturdays at approximately 7:59 pm ET. Tri-State Megabucks winning numbers are selected via a ball drawing which is conducted by here at New Hampshire Lottery headquarters. Jackpots for this game start at \$1 million and continue to grow until won. The jackpot prize is won by matching five numbers (1-41) and an additional Megaball number (1-6) for a total of six

numbers played. In addition to the jackpot prize, players have eight more ways to win by matching fewer numbers to the numbers drawn. Players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Tri-State Megabucks offers fixed prizes. Players may opt to play for up to 20 future draws.

Draw Games – Lucky For Life

Lucky For Life is a twice-weekly, multi-jurisdictional lottery game with drawings on Mondays and Thursdays at approximately 11:00pm ET. Lucky For Life winning numbers are selected via a ball drawing which is conducted by another State Lottery. The top prize for this game is \$1,000 a day for life. The secondary prize is \$25,000 a year for life. The top prize is won by matching five numbers (1-48) and the Lucky Ball number (1-18) for a total of six numbers played. In addition to the top and secondary prizes, players have eight more ways to win by matching fewer numbers to the numbers drawn. Players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Lucky For Life offers fixed prizes. Players may opt to play for up to 20 future draws.

Draw Games – Mega Millions

Mega Millions is a twice-weekly, multi-jurisdictional lottery game with drawings on Tuesdays and Fridays at approximately 11:00pm ET. Mega Millions winning numbers are selected via a ball drawing which is conducted by another State Lottery. Jackpots for this game start at \$15 million and continue to grow until won. The jackpot prize is won by matching five numbers (1-75) and an additional number (1-15) for a total of six numbers played. In addition to the jackpot prize, players have eight more ways to win by matching fewer numbers to the numbers drawn. There are two play options for Mega Millions: (1) a \$1 Mega Millions ticket; or (2) a \$2 Mega Millions Megaplier ticket. For all drawings, the Megaplier feature allows players to multiply winnings on most prizes levels from two to five times with the exception of the jackpot prize. The randomly selected multiplier number (Megaplier) will be shown during the televised drawing. Players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Mega Millions offers fixed prizes. Players may opt to play for up to 20 future draws.

Draw Games – Powerball

Powerball is a twice-weekly, multi-jurisdictional lottery game with drawings on Wednesdays and Saturdays at approximately 10:59pm ET. Powerball winning numbers are selected via a ball drawing which is conducted by another State Lottery. Jackpots for this game start at \$40 million and continue to grow until won. The jackpot prize is won by matching five numbers (1-69) and an additional Powerball number (1-26) for a total of six numbers played. In addition to the jackpot prize, players have eight more ways to win by matching fewer numbers to the numbers drawn. There are two play options for Powerball: (1) a \$2 Powerball ticket; or (2) a \$3 Powerball ticket with Power Play. For all drawings played, the Power Play multiplier feature allows players to multiply winnings on most prizes levels from two to ten* times with the exception of the jackpot prize and the second-tier, Match 5+0 prize. The randomly selected multiplier number (Power Play multiplier) will be shown during the televised drawing. Players may select their own numbers or request an Easy Pick and allow the lottery terminal to select the numbers for them. Powerball offers fixed prizes. Players may opt to play for up to 20 future draws. *Ten times Power Play on jackpots of \$150 million and below.

Interactive/Digital Games:

Interactive digital games that engage lottery players across a variety of devices such as computers, tablets, and smart phones in the hopes of increasing the size and activity of target audiences as well as heightening overall product and brand awareness.

Event Marketing – Part of the mission of the Advertising and Marketing Department is to build the brand of the NHLC through strategic relationships with many community, sport and collegiate events across the State. The local events provide opportunities to educate the public about our games and provide beneficiary information about the lottery's support for education. To that end, the NHLC has been a sponsor of the following:

Sport/Collegiate Sponsorships: New England Patriots (part of scratch ticket), Boston Red Sox (part of scratch ticket), NH Fisher Cats, UNH Wildcats, NH Motor Speedway, NHL Hockey (Boston Bruins/part of scratch ticket), The Home Depot® (part of scratch ticket), Bass Pro Shops® (part of scratch ticket), etc.

Beneficiary Programs – In fiscal year 2016, the NHLC earned more than seventy-five million dollars for education programs, the most money ever in a single year. Monthly, the net profit from the sale of lottery tickets is sent to the State Treasurer’s Office for deposit into the Educational Trust Fund. The Department of Education determines how much each school district is to receive.

Responsible Gaming – The NHLC is committed to meeting the lottery industry’s best practices in the area of responsible gaming. For guidance, the NHLC follows standards outlined by the North American and State Provincial Lotteries (NASPL’s) and World Lottery Association (WLA’s) Responsible Gaming Framework. Highlights of the NHLC efforts include:

- Providing a minimum of \$25,000 to fund the council annually.
- Maintenance of the council’s website including hosting costs
- Public Relations support
- Brochure, business card, stationary, brochure creative and print of same.

Other projects to be considered:

- Possible creation and broadcast of TV and radio PSA ads
- Assist in advertising the training of health care professionals

The Successful Contractor awarded a contract will play a vital role in the future growth of the NHLC and our efforts to generate ticket sales to raise money for education. As such, the selection, performance and management of the advertising and media agencies are critical in helping to deliver the NHLC’s business and brand goals. When responding to this RFP, Contractors should be aware of the following goals and objectives:

The NHLC is a consistently active, retail account with multiple marketing, communications, research, creative, and media projects requiring on-going, concurrent services. The NHLC is a frequent user of both traditional broadcast and new media. It is therefore critical that the Successful Contractor or Contractors demonstrates proficiency in purchasing and utilizing television, radio and digital to create entertaining messages for game and winner awareness, while at the same time creating brand and beneficiary advertising that brings the NHLC’s core mission to life. In addition to the media and advertising needs with respect to the NHLC’s traditional lottery games, beneficiary program and winner awareness initiatives, substantial retail point-of-sale and educational materials must be developed and produced for timely distribution to more than 1,250 retailers to aid game launches and other key initiatives.

Attachment D

New Hampshire Lottery Organizational Chart – copy available upon request of Purchasing Agent.

**Candy Burke, Purchasing Agent
New Hampshire Lottery Commission
14 Integra Drive
Concord, New Hampshire 03301
Telephone: (603) 271-7116
candy.burke@lottery.nh.gov**

Attachment E

THE NHLC PRODUCT LINES

The NHLC offers a variety of games to the playing public because no one game appeals to everyone. The range of games reflects the motivations and preferences of players.

The NHLC offers two groups of products:

Nine Draw Games (Pick 3, Pick 4, Tri-State Megabucks, Tri-State Gimme 5, NH Powerball, NH Mega Millions, NH Hot Lotto, Lucky For Life) that are played through a computer terminals at retail locations. Players select numbers by filling out a play slip or telling retailer staff their numbers, or requesting an Easy Pick. An Easy Pick randomly select numbers for the customer through the Lottery terminal. Winning results are determined by drawings at specific times.

Scratch tickets are printed on paper stock and are displayed in special dispensers at retail locations. These games do not require a lottery terminal to play but, once played, can be validated as a winning or losing tickets through the lottery terminal in order to determine if prizes can be claimed. Approximately 50 different games are offered during the year with price points ranging from \$1 to \$25.

Players must be 18 years or older to play. Players may be any age to claim a lottery prize. NHLC prizes must be claimed within the State of New Hampshire. In addition, the NHLC promotes "playing responsibly" in its promotional materials.

Prizes must be claimed within one year after the winning draw date for online games. For scratch tickets, players have one year from when the game is removed from sale to claim any prize won. Prizes \$600 or less may be claimed at any retailer. All prizes, regardless of amount, may be claimed at the New Hampshire Lottery Headquarters in Concord.

An outside vendor, Intralot USA, operates the entire on-line computer network for not only online Draw Games but also for activation and validation of Scratch Games. They also provide Tel-Sell services for ordering of scratch games and other supplies. One other vendor, Scientific Games, is responsible to print all scratch ticket games. Vending machines (WinStations) offer Scratch Games and Draw Games tickets are placed primarily in liquor stores, supermarkets and non-traditional outlets.

Attachment F

Retail Network:

	FY15 Number of total Lottery Terminals*	% of total Retailers
Type of business		
Grocery/food stores	144	10.9%
Convenience stores	344	26.1%
C-store/gas	586	44.5%
Restaurant/bar	22	1.7%
Drug stores	69	5.2%
Liquor stores	78	5.9%
Merchandise store	7	0.5%
Service businesses	3	0.2%
Newstands/smoke	24	1.8%
Kiosks	1	0.1%
Miscellaneous	40	3.0%
Total	1,318	100.0%

*There are approximately 1,250 Retailers throughout New Hampshire. The 1,318 number above is the number of lottery terminals distributed across the state with some retailers having one or more lottery terminal.

Attachment G

GLOSSARY OF LOTTERY GAME TERMS

Annuity Payout – a method of paying a prize in increments over a period of time. This is typically accomplished by investing the amount of money available at the time the prize is awarded in securities or other forms of financial instruments to achieve payout of the promoted total prize value by the end of the time period (in contrast to a Lump Sum Prize Payout).

Draw Games – a type of lottery game involving a drawing of a smaller group of numbers from a range of numbers, or matrix, to determine winning results. Players attempt to match the winning numbers by choosing numbers in advance through the use of play slips or verbal communication with the retail staff. Players can choose specific numbers or use Easy Pick, a method of having the lottery computer randomly select the numbers for the player. Prizes are determined by all or some of the winning numbers drawn based on the specific game prize structure.

Fixed (Prize) Payout – a method of paying prizes in which the prize amounts to be awarded are set and published in advance of the particular game play, including selling tickets and/or placing wagers, determining winning results and paying prizes (in contrast to a Pari-Mutuel Prize Payout).

Game Drawing – the method used to determine the winning numbers for a Draw Game typically by selecting numbered balls from a group of numbered balls representing all the possible numbers for any specific game.

Game Matrix – a term used to describe the range of numbers from which a smaller group of numbers is selected or drawn to determine the winning results for a particular game, e.g. the Fantasy 5 game is described as a 5 of 39 game meaning that the numbers 1 through 39 represent the matrix from which five winning numbers will be selected for each game drawing. As part of the game play, players also select five numbers in advance of the game drawing in an attempt to match the five winning numbers.

Game Panel – a printed portion of a Draw Game play slip which includes the range of numbers (or Easy Pick option) from which a player makes his or her number selections for an upcoming drawing by marking the selected number areas with a pen.

Game Ticket – a printed piece of paper with the specific Draw Game, drawing date, number selections by the player, method of number selections, amount wagered and transaction number issues by the Lottery Terminal when a wager is made and recorded.

Lump Sum Payout – a method of paying the total value of the prize at the time the prize is awarded (in contrast to an Annuity Prize Payout). This prize can be the promoted value such as the top prize of a Scratch Game or the amount of money available when the prize is awarded (“net present value”) needed to invest over time to pay out the promoted total value of the prize such as a Powerball jackpot.

Pari-mutuel (Prize) Payout – a method of paying prizes in which the prize amounts are determined by the amount of tickets sold, funds from the ticket sales allocated to each prize level or pool and divided equally among the number of winning tickets for each prize level or pool. The prizes will vary drawing to drawing based on the sales, number of tickets sold and number matching different prize levels (in contrast to Fixed Prize Payout).

Play slip – a piece of paper with preprinted information in Game Panels on which players make number or Easy Pick selections for a specific Draw game by marking designated areas with a pen. Play slips can also have areas for players to determine if they wish to play for a number of game drawings in advance (“advance play”) or if they wish to cancel entries in a Game Panel (“void”).

Prize Level – the specific prize to be paid for a winning result. Typically, a game will have multiple prize levels based upon matching certain combinations of winning numbers or symbols.

Prize Pool – the amount of funds from tickets sold allocated to a particular prize level within a prize structure.

Prize Structure – the combination of different prize levels or pools to make up the complete prize payout for a specific game, whether Scratch or Draw games.

Easy Pick – a method of having the lottery computer randomly select the numbers for the player and print the selections on the game ticket.

Retailer – a local business that offers and sells lottery games in addition to other products which the business offers and sells.

Roll Up – a term describing how the funds not won for the top prize of a Draw Game will be added to the funds generated by sales for the same top prize pool prior to the next drawing of that game. Typically, this term is used for jackpot games such as Mega Millions which experience a number of drawings (“run”) without the top prize being won (“hit”).

Roll Down – a term describing how funds not won for the top prize or possibly other prize levels of an Draw Game will be re-distributed to the prize pool at next lowest prize level to increment the prize payouts for the winning tickets at that level.

Scratch (also referred to as Instant Games) – a type of lottery game involving preprinted tickets with a scratch off coating. Players scratch off the coating to determine the results of the game. The games typically have names, themes, various graphic styles and color ranges and variable dimensions in addition to the coated play areas. Prizes are pre-determined by the anticipated number of tickets printed and sold as well as funds available to build a prize structure. The winning tickets are randomly distributed throughout the entire printing of a specific game. The printed books or packs of ticket for the game are then randomly shipped to retailers based on how orders are received from the entire retail network to ensure equal chance for all players to win.

Terminal – the lottery retail equipment for processing and recording Draw Game wagers and certain promotional offers, printing Draw Game wagering and promotional tickets, validating winning and losing Draw or Scratch Game tickets, making Easy Pick selections, displaying messages with instructions and reports for the retail staff and displaying promotional information for retail customers. The terminal is linked to a central computer system which records and transmits information to and from the retail terminal by either dedicated digital subscriber line (Internet) or cellular /satellite transmissions.

Ticket Checker – the lottery retail equipment that players use to validate a Draw Game or Scratch ticket. The equipment does not have any other function but is considered very helpful to retailers since staff does not have to spend time checking tickets for customers and placement of the equipment may move players/customers away from the cash register/cash out area.

Vending Machines (WinStations) – the lottery equipment that accepts cash and dispenses tickets for Scratch and Draw games. The equipment does not make change and requires regular stocking as well as updating game displays.

Winnability – a term used to describe a player’s perception of his or her chances of winning a particular game based on a number of subjective factors including playing experience, ease of playing, number of chances to match winning numbers or symbols as well as other factors.

Subject: _____

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency Eric D. Borrin, Director		1.10 State Agency Telephone Number 603-271-9558	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory	
1.13 Acknowledgement: State of _____, County of _____ On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature Date: _____		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By: _____ On: _____			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Is this RFP mandated by a contract expiration? Within New Hampshire State Government, contracts have a set period. Similar to the information in this RFP for the new contract that will begin on July 1, 2017, the current contract with GYK Antler of Manchester, New Hampshire will expire as of June 30, 2017. The current contract is 3 years with one, two year extension.

If so, are you happy with the current agency of record? As a result of a team effort by the New Hampshire Lottery, Intralot (our gaming system vendor), Scientific Games (the vendor who provides our scratch tickets), the lottery retailers and players alike as well as GYK Antler and other companies we work with, our sales have increased steadily since 2011.

Will priority be given to New Hampshire agencies? No. Any vendor submitting a qualified bid will be considered.

Will the successful vendor be responsible for any aspects of the current Replay program? NH Lottery Replay is anticipated to be changed or replaced by the end of June 2017. The NHLC would work with the successful vendor in the transition.

Our understanding is that the costs associated with the current Replay program are covered by a portion of the advertising budget? Yes, to run and manage the NH Lottery Replay loyalty program, costs to do so are paid for out of the advertising budget.

If so, and your answer to the preceding question concerning the Replay program is that it will not be the responsibility of the successful vendor, but it does continue as a program, will any funding of the Replay program come from the advertising budget? The NH Lottery Replay program, which is fundamentally a loyalty program, is anticipated to be changed or replaced by the end of June 2017. The NHLC would work with the successful vendor in the transition.

If yes, can you provide an approximate dollar figure on what will be spent on the Replay program? Not at this time.

Does the NH Lottery's advertising spend cover any media outlets in the Boston market? Although we may be considered to be a part of the Boston/Manchester, NH DMA we do not buy Boston media.

If yes, what is the approximate percentage of spend in the Boston market? \$0 is purchased for Boston market.

Is there any value or penalty for providing materials outside the requirements of the Written Technical Proposal section 3.1, Creative Assignment section 3.2 and/or Cost Proposal section 3.3? (i.e. Strategic or creative ideas) Please provide what you think is appropriate for us to understand your agency as well as the capabilities of your agency.

Are the Tri-state and NHLC respective annual budgets of \$1.5MM and \$2MM inclusive of media spend as well as agency fee for labor? The annual budget is approximately \$3.5 million with \$1.5 million designated for Tri-State lottery products and approximately \$2 million for NH lottery products including but not limited to media spend and agency fee.

Can you provide historical media spend by medium/channel? See attached FY 16 media budget.

Can you clarify what the NHLC means by a preferred customer fee status? With a proposed budget of \$3.5 million annually, we do expect an agency fee proposed that reflects that level of spend.

Are there standard hourly rate benchmarks the contractor will need to adhere to? For example, XX hourly rate for Head of Strategy should be \$xx amount? No, that is up to your agency.

Is the NHLC open to a blended rate across positions? The New Hampshire Lottery Commission has asked contractors submitting bids to complete Attachment B of the RFP.

Is there any seasonality or high volume cycles we should be aware of? As with any consumer product, the month of December is a high volume month as well as any large jackpot run.

Are there any minority supplier goals for this contract? The RFP does not state minority supplier goals.

Is the NHLC open to working with an Agency based in New York? Per the RFP:

1.2 MINIMUM QUALIFICATIONS FOR CONTRACTORS

Minimum Qualifications will be evaluated on a Pass/Fail basis. Those qualifications are listed below.

- 1. Contractor has a fully staffed office with a dedicated team assigned to daily account management, billing management and creative development. No restriction is placed on where that office may be located however; the office hours must coincide with the office hours of the NHLC to meet daily needs.**

Further, geographical distance of the agency must not impede the Lottery in the performance of its duties.

Do you need to have Lottery experience or previous government accounts to be considered for the RFP? The RFP does not state that a vendor needs to have previous lottery or government account experience.

Would it be possible to see historical campaigns executed within the last 3 years? Please visit the NH Lottery's YouTube page to review historical television campaigns. The YouTube channel is maintained by GYK Antler.

Who is the incumbent agency? GYK Antler, 175 Canal Street, Manchester, New Hampshire.

What is the NHLC client structure for the marketing/advertising department? The Marketing and Advertising department consists of a Director of Marketing along with a Marketing Coordinator. The Marketing Coordinator is shared with the sales department.

If currently using a creative agency, are they participating in this review? GYK Antler is the agency of record, it is not known whether they will be submitting a proposal per this RFP; but they will not take any part in the review of proposals. Only Lottery personnel are part of the review.

Does the agency also handle media planning and buying, if not who is your media agency? Yes, media buying is handled by the agency of record, GYK Antler.

Can we see your current media plan? Examples are attached.

Can we look at your historic creative/campaigns? Please visit the NH Lottery's YouTube page to review historical television campaigns. The YouTube channel is maintained by GYK Antler.

Why have you decided to hold an agency review at this time? (mandatory review, not happy with current creative or agency, etc.) The current contract (3 years with one, two year option) with the agency of record, GYK Antler, ends as of June 30, 2017.

Does the creative work/campaign currently in the market fall short in any way on your opinion, if so how? The current campaign has just begun and we are unaware that it has fallen short.

Do you have internal creative services and/or social media/digital internal capabilities that the agency will work with? The Marketing Department at the lottery supplies GYK Antler information concerning tickets, promotions, suggestions and jackpots to include in the overall social and/or digital media campaign. Creative is handled by the agency.

What is roughly the budget range for media placements, not including production or agency fees? Please see attached media budgets (New Hampshire and Tri-State) for FY 16.

What is roughly the budget range you are considering for agency fees or what fee range have you paid agencies in the past? There is no designation of a budget range for an agency fee that we are considering at this time. In the past 30 years, we have paid a retainer fee for certain services ranging from 9% to 15%. There have been additional fees for new projects added. As an example, social media coordinator, Instagram fee, etc.

What is roughly the budget for production of advertising materials? This year it will be approximately \$450,000.

Why is this business up for review? Just timing or looking for a fresh start? The 5 year contract (a 3-year contract with one, two-year extension) with GYK Antler ends as of June 30, 2017.

Do you have any audience or market research that you can share? See attached. Authors of the research studies have given the New Hampshire Lottery Commission permission to share them with you.

Of the 7 Marketing Objectives provided, is there a priority order? Increasing sales while maximizing the net profit earmarked for public education with entertaining products and the utmost integrity of those products is priority.

We know products are available to all consumers 18+ but who is considered the core target? With the aging of the baby boomer generation, the core target is Generation X.

In planning phase, would we be able to access sales data by town, by county etc? See attached FY 16 lottery sales by town.

What research (including quantitative survey results, insights from focus groups) will be made available to us as far as target consumer/demographics/psychographics? Please see attached.

Is \$17.5MM Budget all in? ie Fee, Media, Production The annual advertising, marketing and public relations budget is approximately \$3.5 million and covers all costs not limited to: fees, media, production, etc.

What is the historical media budget? See attached FY 16 media spend.

How has media been allocated in the past? Radio, television, digital, jackpot billboards and little to no print advertising.

Can you share past campaign results? What channels have worked best? Television is still the preferred medium to reach the masses. Overall campaigns use television, radio and digital advertising. Jackpot alerts, depending upon jackpot amount, run on both radio and television as well as via social media.

Campaign results reflect our sales growth over the past 6 years:

2011	\$229,218,781
2012	\$255,859,986
2013	\$280,469,777
2014	\$275,985,680
2015	\$283,060,055

2016 \$308,568,767

How have historical campaigns been measured? What are KPIs? The Key Performance Indicator is sales which in turn maximizes the net profit earmarked for education coupled with preservation and enhancement of the agency's image and reputation.

Are there any specific guidelines for how bidders should demonstrate that they meet the Minimum Qualifications for Agencies? Responses would be objective based upon any definition or guideline that would tell us best about your agency.

What would you like to see included in the one page overview of Business Credentials in Part I of the Written Technical Proposal? Please tell us about your agency's credentials and capabilities.

Will finalist oral presentations in April be based on initial proposal we submit or will there be an additional assignment given? At this time, it will be based upon your initial proposal.

As part of the freedom of information act, can we see the current agreement that is in place with your marketing and advertising agency? Yes, a PDF of the current contract will be provided to all who submitted questions the week of January 2, 2017.

Why is the business up for review? Is there dissatisfaction with the past agency? The 5 year contract (a 3-year contract with one, two-year extension) with GYK Antler ends as of June 30, 2017.

Will preference be made to choosing an agency within the State of New Hampshire? No.

Given a proposed annual budget of \$3.5 million, can we see a breakdown of the budget allocation (i.e. media, agency fees, print)? See attached.

What was the NH Lottery annual budget for the past 5 years ('12 - '17)? \$3.2 million to \$3.5 million. What percent of that spend was media? Approximately 47% is allocated for media in FY 17. Agency fees? Agency retainer fees have been 9 to 10% plus other additional fees.

What qualitative and quantitative data is available for the three audiences (players, retailers & other)? This includes customer counts and data available (e.g. # of opt-in emails). Permission needs to be granted by the report author prior to dispersing such reports to this group. Along with the FOIA request for the current contract agreement that will go out via email the week of January 2, 2017, if permission is given, such reports will accompany the contract copy request.

What marketing technologies are currently in place to support the NH Lottery? This includes website CMS, CRM, marketing automation, and reporting. Kentico is currently used for content management of our websites. TwineSocial is used to publish content across our

social media channels. Emails for daily winning numbers, weekly lottery e-newsletters, monthly Replay e-newsletters are sent via a contract with Salesforce.

What types of analytics are available today from the site, email campaigns, ad efforts etc? What type of tagging is currently used? The agency of record, GYK Antler, built a proprietary dashboard to derive sales analytics. As an example of the work produced is the attached November 2016 report.

Would the scope include any services for the current website? If so, what types of services? (content, creative, development, hosting, maintenance). Hosting is done through a contract with Exact Target and the cost comes from the budget. A software package, Kentico is used to update the current website. The vendor awarded the contract will be expected to host and maintain the site.

Would campaign landing pages be considered as part of digital advertising? If so, what services would be required (content, creative, development, hosting, maintenance)? Campaign landing pages on our website are not considered digital advertising.

Are there any existing media buys, sponsorships and/or financial commitments that will carry over to the upcoming calendar year? Not as this time.

Will the agency selected have access to current creative for the next fiscal period? What type of reporting is expected? Campaign only or website also? Current creative may or may not be used during the next fiscal period. You may be asked to report on campaign and/or website.

The RFP mentions KPIs. Can you qualify what KPIs you are measuring? Sales and the public perception of the agency by the various stakeholders.

Approximate number of advertising, POS and email projects by project type annually

Advertising: 3

POS: 10

Email: 4

Winning number emails are sent daily to a group that has signed up to receive them as well as a weekly lottery e-newsletter, monthly Replay e-newsletter and jackpot alert emails/text messages.

Approximate number of events the agency would be responsible for managing annually 3

Would the agency be responsible for ongoing management of your social media properties? At this time, yes.

Can we show a 'legacy client' that no longer works with our agency? Yes.

If so, are there any restrictions as to how recent the work should be? No.

Please clarify the creative assignment requirements? Based on the narrative that appears within 3.2 Creative Assignment, on page 11, it sounds like you would like us to submit a case history describing relevant work that we've done for one of our existing clients. However, one can interpret the second to last bullet under 3.1 Written Technical Proposal (pasted below) to mean that we are being asked to present spec creative as part of our proposal. **The NHLC is looking for a previous campaign of a legacy client that you would submit reflects your agency's abilities as well as compatibility with the Lottery as a consumer product.**

- A NHLC requested creative assignment (see 3.2) including advertising, promotion, retail display, digital/social and recommendations for other areas such as experiential, and event sponsorship

Can you share your current agency compensation arrangement and is the current arrangement what you would prefer for the future (i.e., do you pay a commission on media spend or a markup on out-of-pocket costs)? Please see attached as part of overall FY 17 budget. **Media purchases are net the agency discount of 15%.**

There is mention in the RFP of 'The NHLC has a commission based structure with its current advertising agency.' and 'All media purchases will be net the account discount provided.' What is the reference to commission is the first instance referring to? **The reference of a commission based structure was incorrect. The lottery has a retainer fee agreement with GYK Antler. Media purchases are net the agency discount of 15%.**

There is a mention of annual budget in the RFP – 'It is contemplated that the Contract(s) to be awarded as a result of the RFP will be for an initial term of three (3) years and will be budgeted at approximately \$10.5 million - \$3.5 million for each year of the three-year period.' Is the amount of \$10.5 million correct? **3 years X \$3.5 million each year = \$10.5 million for the initial 3 year contract, subject to funding through the budget process.**

Is all the printing and production of POS materials included in the annual budget of approximately \$3.5 million? **The majority of printing goes through the Division of Graphic Services via a bid process. The agency provides artwork and print specifications which are in turn provided to Graphic Services. Occasionally, due to time constraints, printing must be done through the advertising budget in order to meet deadlines.**

My assumption was that since all documents related to an RFP are public records that a single person (not a firm) could get on your distribution list. So, for example, when you release the answers to the questions, I could receive those answers even if I didn't submit a question. Am I correct or do you have to be an actual firm that is responding? **Anyone that submits a question(s) will be on the recipient list for all questions and answers.**

Names of countries that will be eligible to participate in this tender. The only restriction on where a vendor is located is in section 1.2.1:

1. Contractor has a fully staffed office with a dedicated team assigned to daily account management, billing management and creative development. No restriction is placed on where that office may be located however; the office hours must coincide with the office hours of the NHLC to meet daily needs.

Further, geographical distance of the agency must not impede the Lottery in the performance of its duties.

Estimated Budget for this Purchase The advertising budget is approximately \$3.5 million annually and is approved by the New Hampshire Legislature.

Any Extension of Bidding Deadline? Not at this time.

Any Addendum or Pre Bid meeting Minutes? To date, no addendums have been added nor has the RFP been changed or updated. In accordance with section 2.1:

The NHLC will **NOT** hold a Contractors Conference to clarify, elaborate, modify and answer any questions regarding the RFP.

Is the RFP still open, and if so, could we learn more about it. The RFP is still available. Proposal submissions are expected by Friday, February 3, 2017 at the close of business which is 4 PM on that day (please note new proposal date, due to Q & A being provided one day late on December 30).

We are currently the Agency of Record for the Massachusetts State Lottery and want to know if that will present a conflict for you folks. The NHLC is aware of no legal conflict at this time.

Also, I assume that you have no issue with an agency participating that resides outside the State of New Hampshire? The only restriction on where a vendor is located is in section 1.2.1:

1. Contractor has a fully staffed office with a dedicated team assigned to daily account management, billing management and creative development. No restriction is placed on where that office may be located however; the office hours must coincide with the office hours of the NHLC to meet daily needs.

Further, geographical distance of the agency must not impede the Lottery in the performance of its duties.

Whether companies from Outside USA can apply for this? (like, from India or Canada) The only restriction on where a vendor is located is in section 1.2.1:

1. Contractor has a fully staffed office with a dedicated team assigned to daily account management, billing management and creative development. No restriction is placed on where that office may be located however; the office hours must coincide with the office hours of the NHLC to meet daily needs.

Further, geographical distance of the agency must not impede the Lottery in the performance of its duties.

Whether we need to come over there for meetings? You will be expected, at a minimum of a quarterly basis, to meet with lottery personnel in-person.

Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada) Yes.

Can we submit the proposals via email? Per the regulations for submission of proposals per section 2.2 of the RFP, no. Here is that section for your review:

2.2 WRITTEN TECHNICAL AND COST PROPOSAL DUE DATE AND DELIVERY

Separate written Technical and Cost Proposals as described in Section 3.0 and signed by a person authorized to represent the Contractor must be received at the New Hampshire Lottery Commission by 4:00PM on February 1, 2017.

A corporate representative for the Contractor who is authorized to contractually bind the Contractor must manually sign all copies of the proposal. The Contractor must also provide the NHLC with the name, business address, and business telephone number of a person who will act as the contact person for all inquiries that the NHLC may have during the proposal evaluation process. Such person shall be authorized to make representations for and bind the Contractor contractually.

Delivery of three (3) copies of the proposal with original signatures and one (1) USB flash drive or disk containing a PDF version (or other suitable format), to the PURCHASING AGENT at the above address in Section 1.5 is due no later than 4:00 P.M. on Wednesday, February 1, 2017. Proposals received by the NHLC PURCHASING AGENT after this date and time will be rejected, without exception. No provisions are made for extenuating circumstances in this RFP.

ALL PROPOSALS MUST BE SUBMITTED IN A SEALED ENVELOPE OR BOX AND PROPERLY ADDRESSED TO THE PURCHASING AGENT AT THE NHLC.

It is the Contractor's responsibility to assure that its proposal is delivered at the proper time and place, as specified in this RFP. Proposals which, for any reason, are not so delivered will not be considered by the NHLC. Late proposals will not be accepted; they will be returned unopened to the responding Contractor. Proposals transmitted by telephone, fax, or any electronic service such as email will not be accepted. A proposal may not be altered after

delivery, unless requested by the NHLC.

It is recommended that certified mail, return receipt requested, or a courier service that provides a signed receipt with time and date of delivery be used.

Beyond overall sales growth and revenue for public education are there any other major key performance indicators being considered by NHLC for future years that will impact marketing strategy (i.e. shift from instant to online sales, raise average price point, target new audiences, etc.)? To achieve such growth, the New Hampshire Lottery Commission is always looking for new products, games and promotions.

In the news, there has been recent consideration for the State to expand gaming whether it be Keno, fantasy sports or casinos – should any of these become reality would there potentially be any marketing with associated budgets added to this NHLC contract? For any additional allocation, the New Hampshire Legislature would approve any such increase to our advertising budget. Products may be added to our portfolio with or without additional dollars to support them.

Can you please confirm/clarify that if a bidder cannot demonstrate that they meet or exceed every minimum qualification that they will be eliminated? From a contractor's written presentation, it will be determined if the contractor meets the minimum qualifications as stated in section 1.2 of the RFP.

Will preference be given to companies headquartered in NH and/or with a NH presence? No.

Will all responses to RFP-related questions be shared with all interested candidates that submitted questions or only the ones asked by them? Per section 1.5 of the RFP, all questions and answers will be shared with all who submitted questions.

It states that, "NHLC has a commission based structure with its advertising agency" while attachment B "a retainer fee based structure". Please clarify what should be used? The New Hampshire Lottery Commission is looking for a retainer fee based structure.

Page 12, 3.3 and Page 19, Attachment B: The fee structure and what it shall cover defined in section 3.3 does not entirely line up with the identified agency resource titles in Attachment B (i.e. no social media resources identified) so our plan was to allocate the resources listed in Attachment B only with a Proposed Monthly Fee as the "Core Team" and then handle all resources/tasks not listed as project fees in the future, as needed. With the marketing landscape and associated tasks/resources continuing to evolve, this seems like a mutually beneficial approach for maximum adaptability within the defined budget. Please advise if an alternative approach to the response is preferred. Please complete Attachment B in accordance as to what you feel is an appropriate representation as to how your agency will handle the New Hampshire Lottery account. Attachment B is a guideline to follow and you

may complete it, including other employees whose work will fall under the retainer fee under "other".

Page 11, 3.1 and Page 19, Attachment B: On the same topic, would you prefer percentage of time allocated (referenced Page 11, 3.1) or estimated hours per month (referenced in Attachment B)? Please provide the number of hours per month.

Attachment B: Is your definition of Multimedia Producer more concept, design, project management or development? Please let us know what you envision this person handling. A Multimedia producer would handle but not be limited to the following: video and still photography, video and audio editing, Web design, graphic arts and animation, scriptwriting and interactive media on behalf of the New Hampshire Lottery.