



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](mailto: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

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**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 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](mailto: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:

	<b>FY15 Number of total Lottery Terminals*</b>	<b>% of total Retailers</b>
<b>Type of business</b>		
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%
<b>Total</b>	<b>1,318</b>	<b>100.0%</b>

\*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 <i>(if applicable)</i>  By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) <i>(if applicable)</i>  By: _____ On: _____			
1.18 Approval by the Governor and Executive Council <i>(if applicable)</i>  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.