

STATE OF SOUTH DAKOTA  
SOUTH DAKOTA LOTTERY  
711 EAST WELLS AVENUE  
PIERRE, SOUTH DAKOTA 57501-3182

Advertising and Related Services  
PROPOSALS ARE DUE NO LATER THAN 4:00pm CT, March 20, 2020

RFP #: 1900

**READ CAREFULLY**

FIRM NAME: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ TYPE OR PRINT NAME: \_\_\_\_\_

CITY/STATE: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

ZIP (9 DIGIT): \_\_\_\_\_ FAX NO: \_\_\_\_\_

FEDERAL TAX ID#: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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PRIMARY CONTACT INFORMATION

CONTACT NAME: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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**SECTION 1. GENERAL INFORMATION**

**1.1. PURPOSE OF REQUEST FOR PROPOSAL (RFP)**

The Lottery’s contract with its current agency expires on June 30, 2020. State law requires that the Lottery’s major procurements go through a competitive process and be approved by the Lottery Commission. The purpose of this RFP is to invite competitive proposals from qualified agencies to provide advertising and marketing services for the Lottery.

The contract which results from this RFP will be for a period of five (5) years, commencing upon execution of a contract, with the option to extend for additional one (1) year terms for a total contract term not to exceed eight (8) years.

**1.2. ISSUING OFFICE AND RFP REFERENCE NUMBER**

The South Dakota Lottery, is the issuing office for this document and all subsequent addenda relating to it. The reference number for the transaction is RFP #1900. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

**1.3. SCHEDULE OF ACTIVITES ( SUBJECT TO CHANGE)**

RFP Publication	December 20, 2019
Deadline for Submission of Written Inquiries	January 31, 2020
Responses to Offeror Questions	February 14, 2020
Deadline for 2 <sup>nd</sup> Round of Inquiries	February 21, 2020
Responses to 2 <sup>nd</sup> Round of Questions	February 28, 2020
Proposal Submission	March 20, 2020
Oral Presentations/discussions (if required)	Month of April 2020
Lottery Commission Meeting	Approximate June 11, 2020

**1.4. NON-DISCRIMINATION STATEMENT**

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

**1.5. MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Proposals may be modified or withdrawn by the offeror via email prior to the established due date and time.

## **1.6. OFFEROR INQUIRIES**

Offerors may make email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Email inquiries must be sent to Wade LaRoche at [wade.laroche@state.sd.us](mailto:wade.laroche@state.sd.us) with the subject line “RFP #1900”.

The Lottery will respond to offeror’s inquiries (if required) via e-mail. All offerors will be informed of any inquiries and the State’s response. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP.

## **1.7. RFP COORDINATOR AND POINT OF CONTACT**

This RFP is issued by the Lottery pursuant to SDCL §42-7A-5. The Lottery is the sole point of contact with regard to all procurement and contractual matters relating to the services described herein. All inquiries concerning this RFP must be submitted in writing to the RFP Coordinator by the deadline in this RFP.

The RFP Coordinator and point of contact for this RFP is Wade LaRoche, Director of Advertising and Public Relations, South Dakota Lottery, 711 E. Wells Avenue, Pierre, South Dakota 57501. Phone: (605) 773-5791 E-mail: [wade.laroche@state.sd.us](mailto:wade.laroche@state.sd.us)

## **1.8. CONTRACT ADMINISTRATOR**

The contract administrator, or his successor or designee, is the point of contact for all contractual matters resulting from this RFP.

The contract administrator for any contract resulting from this RFP is: Norman Lingle, Executive Director, South Dakota Lottery, Pierre, South Dakota 57501. Phone: (605) 773-5770.

## **1.9. UNAUTHORIZED CONTACTS**

Except as provided for in this RFP, no agency or its employees, subcontractors, agents or representatives may contact, orally or in writing, any employee of the Lottery, Lottery Commission member or Evaluation Team member concerning this RFP. Any unauthorized contact may disqualify the agency from future consideration.

Nothing in this section precludes the Lottery from routine contact with its current agency as necessary for current Lottery operations.

## **1.10. INCURRED COSTS**

The Lottery will not be responsible for any costs or expenses incurred by an agency in responding to any part of this RFP.

### **1.11. PROHIBITION OF MULTIPLE PROPOSALS**

An agency may submit only one proposal.

### **1.12. RFP REVISIONS AND SUPPLEMENTS**

The Lottery reserves the right to amend this RFP at any time. If at any time it becomes necessary to revise any part of this RFP or if additional information is necessary to clarify any provision of this RFP, agencies will be notified of such action and the revision and/or supplemental information will be posted at <https://lottery.sd.gov/about/rfp/2020ad.aspx>

### **1.13. PROPOSAL TENURE**

All proposals must remain valid for 180 calendar days from the proposal due date.

### **1.14. PROPOSALS PROPERTY OF LOTTERY**

All proposals, whether accepted or rejected, become the property of the Lottery upon receipt and may be returned only at the Lottery's option.

### **1.15. NONEXCLUSIVE RIGHTS**

Nothing in this RFP or any contract resulting from this RFP precludes the Lottery from purchasing other advertising or public relations services for its use outside of the agency selected.

### **1.16. LOTTERY APPROVAL OF STAFFING/SUBCONTRACTORS**

The Lottery reserves the right to review and/or disapprove all employees relating to assignment to the Lottery contract. No subcontracting will be permitted without the express written approval of the Lottery. The Lottery reserves the right to require the agency to replace subcontractors found to be unacceptable.

### **1.17. MULTIPLE CONTRACTS**

The Lottery's desire is to select a single agency to provide advertising and related services. However, the Lottery reserves the right to award multiple contracts if it is determined by the Lottery to be in its best interest.

### **1.18. BACKGROUND CHECKS**

As required by SDCL §42-7A-6 and §42-7A-14, the Lottery will conduct thorough background investigations, including the use of fingerprint cards for criminal history and credit checks of the agency, any parent or subsidiary corporation of the agency, all shareholders of five percent or more interest in the agency or parent or subsidiary corporation of the agency, and all officers and

directors of the agency or parent or subsidiary corporation of the agency prior to formal award of contract.

### **1.19. PROPOSAL CONFIDENTIALITY**

If an agency believes any portion of its proposal contains information that should be considered confidential, the agency must clearly identify in the proposal any specific proprietary information they are requesting to be protected. The Executive Director will review all requests for confidentiality and determine their validity.

Cost proposals in Section 5.9 will not be confidential. The information requested in Sections 5.8 and 5.4 is considered confidential.

### **1.20. MISUNDERSTANDING OR LACK OF INFORMATION**

This RFP will provide the basic information necessary to submit a proposal. By submitting a proposal, an agency agrees that it has satisfied itself from its own investigation of the requirements to be met, and that the agency fully understands its obligations if awarded a contract under this RFP and therefore will not bring any claim or have any cause of action against the Lottery, the State of South Dakota, or their officers or employees based on any misunderstanding or lack of information.

It is the agency's sole responsibility to submit information related to the evaluation categories; the Lottery is under no obligation to solicit such information if it is not included with the proposal. The agency's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

### **1.21. HIRING OF LOTTERY EMPLOYEES PROHIBITED**

From the time this RFP is issued until either six months after the execution of a contract or the rejection of all proposals, an agency is prohibited from making any employment offer or proposing any business arrangement, whether officially or unofficially, to any employee of the Lottery or any Lottery Commission member.

### **1.22. NEWS RELEASE PROHIBITED**

No agency may issue any news release or make any statement to the news media pertaining to this RFP or any proposal or contract or work resulting from this RFP without prior written approval of the Executive Director.

### **1.23. PROPRIETARY INFORMATION**

The proposal of all offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected.

The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

#### **1.24. LENGTH OF CONTRACT**

The contract which results from this RFP will be for a period of five (5) years, commencing upon execution of a contract, with the option to extend for additional one (1) year terms for a total contract term not to exceed eight (8) years.

#### **1.25. DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)**

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the Offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

### **SECTION 2. STANDARD CONTRACT TERMS AND CONDITIONS**

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as listed below, along with any additional terms and conditions as negotiated by the parties:

- 2.1** The Contractor will perform those services described in the Scope of Work, attached hereto as Section 4 of the RFP and by this reference incorporated herein.
- 2.2** The Contractor's services under this Agreement shall commence on July 1, 2020 and end on June 30, 2025, unless sooner terminated pursuant to the terms hereof.
- 2.3** The Contractor will not use State equipment, supplies or facilities. The Contractor will provide the State with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.
- 2.4** The State will make monthly payments for services upon satisfactory completion of the services. The State will not pay Contractor's expenses as a separate item. Payment will be made pursuant to itemized invoices submitted with a signed state voucher. Payment will be made consistent with SDCL ch. 5-26.



**2.5** The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.

**2.6** The Contractor, at all times during the term of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

**A. Commercial General Liability Insurance:**

The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it shall apply separately to this Agreement or be no less than two times the occurrence limit.

**B. Professional Liability Insurance or Miscellaneous Professional Liability Insurance:**

The Contractor agrees to procure and maintain professional liability insurance or miscellaneous professional liability insurance with a limit not less than \$1,000,000.00.

**C. Business Automobile Liability Insurance:**

The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

**D. Worker's Compensation Insurance:**

The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law.

Before beginning work under this Agreement, Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Contractor agrees to provide immediate notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required. Contractor shall furnish copies of insurance policies if requested by the State.

**2.7** While performing services hereunder, the Contractor is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

**2.8** Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties,

or which may otherwise subject Contractor or the State to liability. Contractor shall report any such event to the State immediately upon discovery.

Contractor's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law.

Contractor's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation of Contractor to report any event to law enforcement or other entities under the requirements of any applicable law.

**2.9** This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to Contractor at the time of termination may be adjusted to cover any additional costs to the State because of Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by Contractor it is determined that Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.

**2.10** This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.

**2.11** This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

**2.12** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

**2.13** The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

**2.14** The Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations,

ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

**2.15** Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.

**2.16** The Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

**2.17** In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

**2.18** All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

### **SECTION 3. OTHER ANTICIPATED PROVISIONS**

The Lottery anticipates the contract will also include the following provisions:

The contract that results from this solicitation will be for a period of five (5) years, commencing upon execution of the contract, with the option to extend with the option to extend for additional one (1) year terms for a total contract term not to exceed eight (8) years.

- A. . Notice of intent to renew shall be given by the Lottery to the agency as mutually agreed upon prior to the end of the current contract term. If the notice of intent to renew is given, the contract shall renew unless terminated by either party pursuant to the Termination Provision of the contract.
- B. Neither the agency nor any of its approved subcontractors will have any proprietary rights or interest in the products, materials, intellectual properties, data, documentation, programs, approaches, methodologies, or concepts developed, produced or provided in

connection with the services provided under the contract. All such items, rights, and/or interests shall belong exclusively to the Lottery.

- C. At least three (3) price estimates must be obtained and documented for outside supplier expenditures exceeding \$3,000.
- D. The agency agrees that it will not make any financial commitment on behalf of the Lottery without prior approval from an authorized representative of the Lottery.
- E. The agency agrees to be responsible for the cost of any items produced on behalf of the Lottery that are misprinted, produced, broadcast or published in error, or are otherwise unacceptable due to disregarding specifications or sign-offs approved by the Lottery. The agency will be responsible for the cost of expediting the replacement of any such items.
- F. All records, information, and documentation required of the agency related to performance of the contract must be retained by the agency and available for inspection or audit to the Lottery, its internal and external auditors, the Lottery Commission, and authorized agents of the State of South Dakota, including the Auditor General of South Dakota, for the duration of the contract and any extensions, and for eight (8) full years from the expiration date of the contract and any extensions.
- G. The contract may be terminated by the Executive Director upon 30 days' notice without payment of penalty if the funds necessary for the Lottery to fulfill its obligations under the contract are not appropriated or are insufficient for any other reason; if the Lottery's authority to proceed under the contract is modified, withdrawn or expires; if the agency fails to comply with the terms of the contract or appears to be unable to fulfill its obligations under the contract; and upon six (6) months' notice for any reason.

## **SECTION 4. SCOPE OF WORK**

### **4.1. WHAT WE'RE LOOKING FOR**

The Lottery wants a full-service agency which:

- A. Provides a full range of advertising and marketing services with responsive client service;
- B. Provides quality advertisements, marketing materials and service at a valuable price and in a timely manner;
- C. Gets the highest value possible in purchasing and placing media; and
- D. Will be creative and innovative, but mindful of the sensitive nature of the Lottery and its products.

## **4.2. WHAT WE WANT OUR AGENCY TO DO**

The successful agency will be the Lottery's principal advisor and provider of the services listed in Sections 4.3 and 4.4.

The successful agency must be capable of performing these services within short time frames, as the Lottery must react to situations such as lotto jackpot winners coming forward, the short time between lotto drawings in which to promote a jackpot, and the production of multiple point of sale items in as little as one month to accommodate ticket print schedules.

## **4.3. GENERAL AGENCY SERVICES**

- A. Assisting in the development of a comprehensive advertising and marketing plan to support the Lottery brand, general game categories, video lottery games, and specific scratch ticket and lotto games and promotions;
- B. Working in conjunction with other Lottery vendors on common planning, marketing, and promotional projects an example of which would be meeting to determine what scratch tickets will be printed, marketed and sold in the coming fiscal year;
- C. Assisting in the evaluation of miscellaneous advertising and marketing opportunities offered to the Lottery;
- D. Meeting with the Lottery's Director of Advertising and Public Relations, Executive Director and Deputy Executive Director monthly in person or by teleconference to plan advertising objectives, strategies, and project status review;
- E. Developing and maintaining performance measurement matrices and procedures to gauge the effectiveness of advertising and marketing campaigns;
- F. Attending and working at Lottery-sponsored events for at least one day during the scheduled course of the event (such as the South Dakota State Fair) at the agency's own expense; and
- G. Timely and accurate itemized billing for all purchases and maintaining appropriate accounting records. Agency fees must be itemized separately.
- H. The ad agency should assist with product and player research.

## **4.4. ADVERTISING SERVICES**

- A. Providing effective statewide advertising with appropriately targeted reach and frequency to the Lottery's consumer audiences;
- B. Creating, producing and placing television, radio, print, digital, billboard advertisements, and new and innovative mediums used in advertising;

- C. Creating and producing point of sale materials which in the past has included posters, wobblers, crash bar stickers, banners, brochures, window clings, ceiling cards, and other promotional materials;
- D. Creating and producing images and advertisements for use on the Lottery website, other partner websites, Facebook page, Twitter feed, YouTube channel, Lottery Players Club email messages, and mobile app push notifications;
- E. Negotiating, purchasing and trafficking of media including negotiating bonus spots and value-added materials, identifying any long-term commitments, cooperative advertising, or other special programs to realize savings to the Lottery;
- F. Verifying and documenting broadcast and publication of all requested media according to contracts and placement instructions;
- G. Evaluating performance of media planning and placement for highest value, reach, and frequency to the Lottery's consumer audiences;
- H. Developing in conjunction with the Lottery, a per campaign budget for production and media;
- I. Estimating production and media expenditures in advance; and
- J. Sharing proposed and final television and radio ads on an agency-hosted client internet server. (Audio and video media files cannot be transmitted through the state's e-mail network. Proposed and final print materials may be shared via e-mail.)

The successful agency must also be able to contribute to the services in Sections 4.5 and 4.6 through advice, planning, production, and/or support if called upon to do so:

#### **4.5. PRODUCT DEVELOPMENT**

- A. New game design, including ticket art, game names and logos;
- B. Special sales campaigns and retailer incentive programs;
- C. Improvements to existing Lottery games or new game concepts;
- D. Fulfilling the Lottery's market research and analysis needs in determining effective advertising methods to reach a variety of demographics and developing a reliable means of measuring the effectiveness of advertising campaigns for traditional, social and electronic media;
- E. Graphic design and development of art for use by the Lottery; and

- F. Consumer testing of Lottery products.

#### **4.6. PUBLIC RELATIONS**

- A. Public relations and promotional events, such as game launches and news conferences for lottery initiatives and winner announcements;
- B. Beneficiary information and awareness;
- C. Responsible gaming awareness and education; and
- D. Development and promotion of the Lottery's Facebook page, Twitter feed and YouTube channel. Daily management, updating and monitoring of the Lottery's Facebook and Twitter platforms are handled by the Lottery while the agency will be responsible for updating the YouTube channel and assisting in its management and monitoring. The agency will also monitor trends in the social media industry to utilize any other platforms that may be beneficial.

#### **4.7. COMMON GOALS OF THE LOTTERY AND ITS AGENCY**

The Lottery's mission is to work cooperatively with our partner licensees to promote and ensure the integrity, fairness, security and honesty of lottery games to maximize revenues for state programs and initiatives and to ensure the Lottery remains a viable and sustainable source of revenue and entertainment for the State of South Dakota.

The agency and its work for the Lottery should reflect these overall goals of the Lottery:

- A. Benefiting the people of South Dakota by raising revenues for state initiatives and programs;
- B. Dedication to the Lottery's mission to operate in a secure, efficient, fair and profitable manner;
- C. Promoting quality products that provide entertainment and customer satisfaction of players and retailers;
- D. Ensuring the Lottery gets the highest quality advertising and related services for its products at the most competitive price; and
- E. Advertising and promoting the Lottery and its products in an effective and responsible manner.

#### **4.8. ADVERTISING SUBJECTS**

Scratch tickets, lotto games and video lottery are mature products in South Dakota, and advertising and marketing must keep the interest of existing players, capture the interest of new players, and recapture lapsed players.

Our advertising and marketing efforts generally focus on:

- A. Game Awareness: including newly launched scratch tickets, existing lotto games, a new lotto game or change to an existing lotto game, and the availability of video lottery games;
- B. Jackpot Awareness: it's the jackpot that sells lotto tickets;
- C. Winner Awareness: telling people about our winners and the winning experience reinforces game integrity and encourages sales;
- D. Sales Promotions: including second chance promotions in which players submit non-winning tickets to enter a contest for a prize, buy X get Y free, temporary game change promotions, exclusive promotions and giveaways for Lottery Players Club members, Twitter followers and Facebook fans;
- E. Brand Support: including the Lottery's overall image and general scratch ticket, lotto game, and video lottery game categories; and
- F. Beneficiary Awareness: explaining where the money goes and the benefits provided by Lottery revenues.

#### **4.9. LOTTERY ADVERTISING STANDARDS**

The Lottery takes seriously its sensitive nature as part of state government, and uses general industry standards for advertising:

- A. The Lottery will not produce ads that pander to those who are legally prohibited from buying its products, and will strive not to purchase media during times when the viewers are predominantly children.
- B. The Lottery will make no promise of winning to its constituents.
- C. The Lottery will not advertise playing the lottery as an alternative to working, as a financial investment, or as a way to achieve financial security.
- D. The Lottery will place emphasis on factual aspects of the Lottery, for example, how to play, how to win, what can be won, who has won, or the details of a particular promotion.
- E. The Lottery will include responsible play messages in any advertising and press relations.
- F. Winner awareness advertising will emphasize real winners.
- G. Advertising will include the odds of winning and the age threshold to play.



H. Materials made available to the public such as game tickets, brochures and the Lottery's website will contain problem gambling help information.

## **SECTION 5. PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS**

### **5.1. RELEVANT INFORMATION**

The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

### **5.2. OFFEROR'S CONTACTS**

Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

### **5.3. FINANCIAL STATEMENTS**

The offeror may be required to submit a copy of their most recent audited financial statements upon the State's request.

### **5.4. TELL US WHO VALUES YOUR SERVICES**

Include your current client list. Please highlight any clients in the gaming industry, clients which are government agencies, and clients in the convenience, gas, grocery retail or bar/video lottery establishment sector.

Provide the following information related to at least three previous and current service/contracts, performed by the offeror's organization, which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years.

- A. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
- B. Dates of the service/contract; and
- C. A brief, written description of the specific prior services performed and requirements thereof.

## **5.5. TELL US ABOUT YOUR AGENCY**

- A. Provide the name, address, phone number, fax number, general e-mail address, website URL, and social media information (i.e. Twitter, Facebook, YouTube) of your agency;
- B. Provide the name, title, address, phone number, and e-mail address of the person we should contact regarding your proposal;
- C. Provide a brief overview narrative that describes your agency's history, background, and length of current continuous operation;
- D. Identify your agency's type of business entity such as corporation or partnership. If your agency is a corporation, indicate the location of the corporation's principal place of business and the state of incorporation;
- E. State if your agency has all applicable licenses to do business and is in good standing in the State of South Dakota; and
- F. Submit an organization chart that identifies by name and title all directors, officers, and employees of your agency.

## **5.6. TELL US ABOUT YOUR AGENCY'S CAPABILITIES**

Describe your agency's ability to fulfill the services requested in Section 4. Please highlight:

- A. Services and expertise your agency offers;
- B. Capabilities and experience in statewide advertising and marketing campaigns;
- C. Capabilities and experience in statewide purchase and placement of media, including extra value opportunities identified in Section 4.4.E;
- D. Resources to perform market research and analysis;
- E. Any experience in advertising retail products in the convenience/grocery sectors, and/or any experience in advertising the gaming industry; and
- F. Any unique capabilities to advertise or market the Lottery or its products to fulfill the services requested.

Identify the subcontractor(s) your agency proposes to use, if any, to complete production of television, radio, print, web and billboard advertisements, and those used for purchasing and trafficking of media. Responses do not need to identify vendors which produce final tangible items such as posters, brochures, and point of sale items. Briefly describe the subcontractors' functions and their ability to fulfill their respective duties.

## **5.7. TELL US WHO WE’LL BE WORKING WITH**

- A. Provide names, titles, and length of service of your agency’s principals;
- B. Identify the key staff who would likely work with the Lottery on our account, their duties, and provide a brief vitae of their experience and qualifications;
- C. Disclose the name of any officer, director, partner or employee of your agency who is related to any Lottery employee or has a significant business relationship with any Lottery employee or Lottery Commission member, and disclose the name of the Lottery employee or Lottery Commissioner.

## **5.8. EXPLAIN HOW WE’LL WORK TOGETHER**

- A. Explain the process your agency will use to assist in developing a comprehensive advertising and marketing plan (Section 4.3.A) to guide the Lottery’s advertising and marketing strategies.
- B. Explain how your agency will work with the Lottery from idea through invoice on an advertising project, highlighting the critical steps in the process. Include one (1) example, whether real or fictional, involving a Lottery product, of:
  - 1. A job estimate;
  - 2. A script for a radio ad;
  - 3. A storyboard for a television ad;
  - 4. An example of a point of sale item;
  - 5. A concept for a web or social media component;
  - 6. Invoice(s) that show both production and media billings.

## **5.9. SHOW US EXAMPLES OF YOUR WORK**

Samples requested in Section 5.4 must be from within the last three years for clients other than the Lottery. Agencies are encouraged to submit all samples in electronic form on USB drive clearly marked as creative samples for this RFP. Electronic examples must be accessible using a computer drive, Windows Media Player 12, Adobe Acrobat Reader DC, or the Windows 10 suite of products.

- A. Provide one (1) comprehensive statewide marketing campaign, including a narrative that describes any market research and analysis, budget, objectives, creative strategy, media strategy and execution, documented results, and copies of any advertisements and/or marketing materials.
- B. Provide two (2) summaries of broadcast media purchases for statewide advertising campaigns (preferably conducted in South Dakota) that included both :30 radio and television ads. Each summary should include the timeframe of broadcast, primary target audience, stations used, total number of spots by media type, and total cost by media type. The television portion of each summary should also include gross rating points, cost

per point, and daypart distribution of ads in the Sioux Falls and Rapid City markets. Copies of the ads are not necessary, unless otherwise included in the samples requested in Section 5.9.C.

- C. Provide the following samples and briefly explain why the particular sample was selected:
1. Three (3) TV ads;
  2. Three (3) radio ads;
  3. Three (3) print ads designed for newspaper, magazine or event program publication;
  4. Three (3) images or photos of point of sale samples of maximum variety;
  5. Two (2) URL addresses of agency-designed websites;
  6. Two (2) digital ads;
  7. Two (2) layout images of brochures or other collateral material;
  8. Two (2) images of outdoor advertisements; and
  9. One (1) image of a unique or innovative advertising piece not specifically listed above.

#### **5.10. AGENCY OFFICE(S) IN SOUTH DAKOTA**

It is the Lottery's preference that the successful agency maintains an office located in South Dakota for the duration of the contract.

#### **5.11. ATTENDANCE AT NATIONAL LOTTERY CONFERENCES**

The successful agency will be required to attend a minimum of one (1) national lottery conference, symposium or meeting annually during the course of their association with the Lottery. Total expenses associated with said event will be borne by the agency.

### **SECTION 6. PROPOSAL RESPONSE FORMAT**

#### **6.1. NUMBER OF COPIES**

An original and 7 copies shall be submitted.

- 6.1.1. In addition, the offeror should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word or PDF electronic format. Offerors may not send the electronically formatted copy of their proposal via email.
- 6.1.2. The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

## 6.2. ORGANIZATION

All proposals must be organized and tabbed with labels for the following headings:

- 6.2.1. **RFP Form.** The State’s Request for Proposal form completed and signed.
- 6.2.2. **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.

## 6.3. DETAILED RESPONSE

This section should constitute the major portion of the proposal and must contain at least the following information:

- 6.3.1. A complete narrative of the offeror's assessment of the work to be performed, the offeror’s ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.
- 6.3.2. A specific point-by-point response, in the order listed, to each requirement in the RFP. The response should identify each requirement being addressed as enumerated in the RFP.
- 6.3.3. A clear description of any options or alternatives proposed.
- 6.3.4. **Cost Proposal.** Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

The cost proposal must be submitted in a separate sealed envelope labeled “Cost Proposal”.

See section 8.0 for more information related to the cost proposal.

## 6.4. DELIVERY DEADLINE AND FORMAT REQUIREMENTS

- A. Completed and signed written proposals must be received by the RFP Coordinator by 4:00 p.m. (CT) on Friday, March 20, 2020. Proposals must be delivered to South Dakota Lottery, Attn: Wade LaRoche, 711 E. Wells Avenue, Pierre, SD 57501. All capital letters and no punctuation are used in the address. The Lottery address as displayed should be

the only information in the address field. Proposals received after the deadline will not be considered and will be returned unopened to the agency.

- B. No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.
- C. Proposals must clearly identify the submitting agency.
- D. Proposals should be concise, clear, direct, and demonstrate the agency's understanding of the desired overall performance expectations.
- E. Proposals must identify and address each requirement by section number and in order (for Sections 5.5 through 5.10).
- F. Proposals must be delivered in hard copy form to the RFP Coordinator via U.S. mail, other courier, or personally delivered. The package must be sealed and clearly identify the submitting agency and that the package is a response to this RFP by displaying the appropriate RFP number and Title on the outside of the package.
- G. Written portions of proposals must be bound or in a three-ring binder.
- H. Your agency must include one (1) original, signed in ink by the person legally authorized to bind the agency and sealed in the form intended by the respondent and seven (7) copies of the written proposal. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container.,
- I. Your agency must also include seven (7) printed versions and one (1) electronic version of its proposal, including cost proposal and ad samples, that excludes any information the agency believes should be considered confidential. Both versions must be clearly marked "Public Record Version of Proposal". The electronic version of the written proposal must be included on a USB drive in PDF (.pdf) format. **Please note:** The client information requested in Sections 5.8 and 5.9.A is considered confidential. Cost proposals in Section 8 will not be confidential.

## **SECTION 7. PROPOSAL EVALUATION AND AWARD PROCESS**

### **7.1. EVALUATION CRITERIA**

The Lottery's Evaluation Team will use subjective and objective criteria when evaluating proposals, including: agency experience and reliability, expertise of personnel, scope of services offered, cost proposals, and creativity in marketing, including quality of creative samples.

After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:

<b>Rating Criteria</b>	<b>Weight Factor</b>
Overall presentation, followed and addressed RFP requirements.	5
Demonstrated an understanding of the Lottery’s advertising standards and policies	5
Efficient billing methods and effective performance measurement practices (Was a sample invoice provided? Did the agency explain how they measure the effectiveness of their advertising campaigns?)	5
Cost proposal fully explained their commission rates, billable and non- billable services	10
Agency experience and proven record of success (Have they conducted statewide campaigns? How broad is their client list? Have they worked with all forms of media, including social media?)	15
Creativity and innovation in advertising campaigns and product offerings (Consider the samples provided for POS, radio, TV, etc. Do they show creativity, professionalism, etc.? Do they SELL the product? Are they using a variety of media in their advertising campaigns, based on the samples?)	20
Overall ability to meet the Lottery’s advertising needs with available resources and staff (Do they have staffers dedicated to areas like social media, graphics, video production? According to their proposal, how much work can be done in-house as opposed to using subcontractors? Have they designated specific staff members to be part of a Lottery marketing team?)	40

Proposals will be evaluated on a rating scale of 1 to 5, with 1 being “does not meet expectations” and 5 being “greatly exceeds expectations”. The weight factor for the evaluation process will be delineated as follows: overall ability to meet the Lottery’s advertising needs with available resources and staff (40%); creativity and innovation in advertising campaigns and product offerings (20%); agency experience and proven record of success (15%); commission rates, billable and non-billable services (10%); efficient billing methods and effective performance

## **7.2. EXPERIENCE AND RELIABILITY**

Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

### **7.3. PERSONNEL QUALIFICATIONS**

The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.

### **7.4. INTEREST OF THE STATE OF SOUTH DAKOTA**

The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.

### **7.5. AWARD**

The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

### **7.6. NEGOTIATION COMPENSATION**

If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.

### **7.7. NEGOTIATION PROCESS**

The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

### **7.8. HOW OUR PITCH PROCESS WILL WORK**

The Lottery's Evaluation Team will review all submitted proposals and make a recommendation to the Lottery Commission, which must approve an award selection before execution of a contract.

### **7.9. OPENING OF PROPOSALS**

Written responses will be opened by the RFP Coordinator after 4:00 p.m. (CT) on Friday, March 20, 2020 and inspected to initially determine whether they satisfy the requirements stated in the RFP.

### **7.10. ADDITIONAL INFORMATION AND CLARIFICATION**

The Lottery reserves the right to request additional information or clarification of information in an agency's proposal at any time, and to obtain from any and all sources, information concerning



an agency that it deems pertinent to the RFP, and to consider such information in evaluating the agency's proposal.

An oral presentation by an agency to clarify a proposal may be required at the sole discretion of the Lottery. However, the state may award a contract based on the initial proposals received without discussion with the agency. If necessary, oral presentations would be scheduled for the month of April at a Lottery office.

The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

#### **7.11. REJECTION/ACCEPTANCE**

The Lottery reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the Lottery and the State of South Dakota.

Failure to comply with any part of this RFP may result in rejection of the proposal. In the event that all proposals do not meet one or more of the mandatory requirements, the Lottery reserves the right to continue the evaluation of the proposals and to select the proposal that most closely meets the RFP requirements.

#### **7.12. INSPECTION OF PROPOSALS AND PROPRIETARY INFORMATION**

From the time proposals are submitted until the formal award of a contract, each proposal is considered a working document and will be kept confidential.

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the state's option.

#### **7.13. RECOMMENDATION TO COMMISSION AND CONTRACT AWARD**

The Evaluation Team will select the agency it deems the most qualified to perform the services to the Lottery as required in the RFP at the best value to the Lottery, which may not be the lowest cost proposal submitted.

The Evaluation Team's recommendation will be presented for approval to the Lottery Commission at the Commission's regularly scheduled public meeting at 9:30 a.m. (CT) on approximately June 11, 2020 in Room 412 of the State Capitol in Pierre.

Following the Lottery Commission's approval of a recommended agency, a Notice of Intent to Award a Contract will be issued in writing to agencies submitting a proposal. Such award, however, will be contingent upon successful negotiation of a final contract within 30 days of the award and completion of the necessary background investigation.

## **SECTION 8. COST PROPOSAL**

### **8.1. Tell Us How Much Your Services Cost**

In a separate, sealed, and clearly marked envelope, please provide the following cost information:

- A. **Billable Services:**
  - 1. List all the services for which your agency charges and for each service, indicate the amount proposed to be charged per hour to the Lottery.
  - 2. Indicate your agency's proposed percentage mark-up for subcontracted services.
  - 3. List all materials and incidentals for which the agency charges and for each item indicate the amount proposed to be charged to the Lottery.
- B. **Commission Rates:** Indicate your proposed commission rate for media placement. If the rate varies by media type, indicate the proposed commission rate for each media type.
- C. **Non-billable Services:** List all the services for which your agency does not charge a fee or commission, and explain how your agency determines non-billable services to the Lottery.
- D. **Volume-Based Rates:** Does your agency negotiate for media rate discounts based on volume? If so, indicate how the discount is negotiated and whether your agency proposes to pass the volume discount to the Lottery.
- E. **Travel:** Does your agency propose to charge for travel time related to account services? If so, indicate those charges.
- F. Indicate whether you intend to adjust commissions, charges, or fees upon any extension of a contract awarded pursuant to this RFP. If so, indicate the adjustment(s) and methods to determine the adjustment(s).
- G. Indicate any special features of your agency's proposal, including any suggestions for alternative pricing methods.

## **8.2. Non-Taxable Services**

All charges submitted to the Lottery are non-taxable, and the Lottery is not responsible for paying any federal, state or local taxes that become payable by the successful agency, its officers or employees, or its subcontractors.

## **8.3. Contract Negotiations**

By submitting a proposal, an agency agrees to be governed by the terms and conditions in this RFP and any amendments to the RFP, and agrees to include in any contract the terms and conditions in this RFP, any amendments to the RFP, the agency's proposal and any terms and conditions subsequently negotiated between the Lottery and the agency. In the event of any conflict or contradiction between or among these documents, the order of precedence is: 1) the contract; 2) the agency's proposal; and 3) this RFP.

The Lottery reserves the right to negotiate on any and/or all components of the proposal submitted.

The Lottery reserves the right to either award a contract without further negotiation with the successful agency or agencies, or to negotiate contract terms with one or more agencies if it is in the best interest of the Lottery.

If the Lottery is unable to negotiate a satisfactory contract with the first selected agency or agencies, the Executive Director may undertake negotiations with other agencies, subject to approval of the Lottery Commission.

## **SECTION 9. Lottery Overview**

### **9.1. General Description**

The Lottery markets scratch tickets and lotto games and regulates video lottery to raise revenue for state programs and projects. Since 1987, the Lottery has raised more than \$2.94 billion to help fund education, lower property taxes and develop natural resources. The Lottery is entirely self-funded and does not use any tax dollars for its operation.

The Lottery is a division of the South Dakota Department of Revenue and operates under the oversight of the Lottery Commission. The Lottery Commission is a seven-member governing board appointed by the Governor that establishes lottery policy, reviews and approves major contracts and procurements, and consults on management and operation of all aspects of the Lottery.

The Lottery currently has 31 employees, including administration, accounting, video lottery, security, sales and marketing, and support staff. The Lottery's main office is in Pierre with regional sales and redemption offices in Rapid City and Sioux Falls, and a sales representative's office in Aberdeen.

## 9.2. Lottery Products

Scratch ticket games are launched periodically throughout the year depending on player demand, game success, and inventory. The Lottery launched 29 new scratch ticket games in fiscal year 2019. Prices for scratch tickets range from \$1 to \$20 with prizes ranging from \$1 to \$500,000, cars, trips, and other merchandise. At the close of fiscal year 2019, there were 620 licensed scratch ticket retailers across the state.

The Lottery currently offers five lotto games. Powerball, Mega Millions, Lotto America, and Lucky for Life are multi-state games. Dakota Cash is exclusive to South Dakota. Ticket prices are \$2 per play in Powerball, Mega Millions, and Lucky for Life; \$1 per play in Lotto America and Dakota Cash. All add-on game features (Power Play for Powerball, Megaplier for Mega Millions, All Star Bonus for Lotto America, and EZ Match for Dakota Cash) cost an additional \$1 per play with the exception of Just the Jackpot for Mega Millions which is \$3 for two Quick Picks for only the jackpot. At the close of fiscal year 2019, there were 607 licensed lotto retailers. (NOTE: all lotto retailers are also scratch ticket retailers and are included in the total count of scratch ticket retailers.)

The Lottery regulates and controls the video lottery game activities through licensing procedures for the machines, machine owners/operators and establishments as well as a comprehensive secure central computer system. Revenue from video lottery is calculated on net machine income which is cash-in (sales) minus cash-out (prizes). Net machine income is divided between the state and machine operators on a 50/50 split. At the end of fiscal year 2019, the number of video lottery establishments was 1,325 and the number of active video lottery machines was 8,946.

## 9.3. Recent Instant Game, Lotto and Video Lottery Revenue History

Here are the instant ticket and lotto game sales and state's share of video lottery net machine income (NMI) for the last five fiscal years:

<b>Fiscal Year</b>	<b>Instant Ticket Sales</b>	<b>Lotto Ticket Sales</b>	<b>State's Share (NMI)</b>
2015	\$25,839,734	\$25,340,133	\$98,847,722
2016	\$26,299,493	\$28,992,932	\$102,997,813
2017	\$26,068,946	\$23,009,677	\$105,850,896
2018	\$30,181,754	\$27,999,156	\$109,451,236
2019	\$32,237,932	\$30,708,432	\$114,269,567

## 9.4. Current Advertising Overview

Current common advertising/marketing methods include: point of sale items such as posters, wobblers, glass clings, crash bar stickers, floor stickers, and ceiling cards; television, radio, and print advertisements; email messaging to the Lottery's Players Club; Facebook advertisements and promotions; Twitter and YouTube posts; website advertisements; digital billboards; special event sponsorships; sales promotions; and premium items for retailers and players.

In FY2019, advertising and marketing activities included:

- Holiday Instant Campaign
- Overall Instant Campaign
- Quarterly Instant Campaign
- Mobile App Campaign
- Responsible Gaming Campaign
- Brand Campaign
- Lotto Campaign
- Licensed Properties/Research Focus Group

Included in the activities listed above, the Lottery produced broadcast TV ads, cable TV ads, connected TV ads, digital video ads, traditional radio ads, digital radio ads, print ads, various point of sale items, website advertisements, social media advertisements, billboards, and event banners.

**9.5. Advertising Budget and Recent Expenditure History**

The Lottery’s budget for scratch, lotto and video lottery game operations, including advertising and marketing, is set annually by the Lottery Commission.

While this budget includes those items listed in 9.4, it also includes marketing efforts in which the Lottery’s advertising agency may not be directly involved including corporate communications materials, promotional items, sponsorships, and promotional events.

Here are the total advertising and marketing expenditures for the last five fiscal years:

<b>Fiscal Year</b>	<b>Advertising Expenditures</b>
2015	\$757,502
2016	\$910,829
2017	\$946,999
2018	\$1,037,316
2019	\$1,024,133