

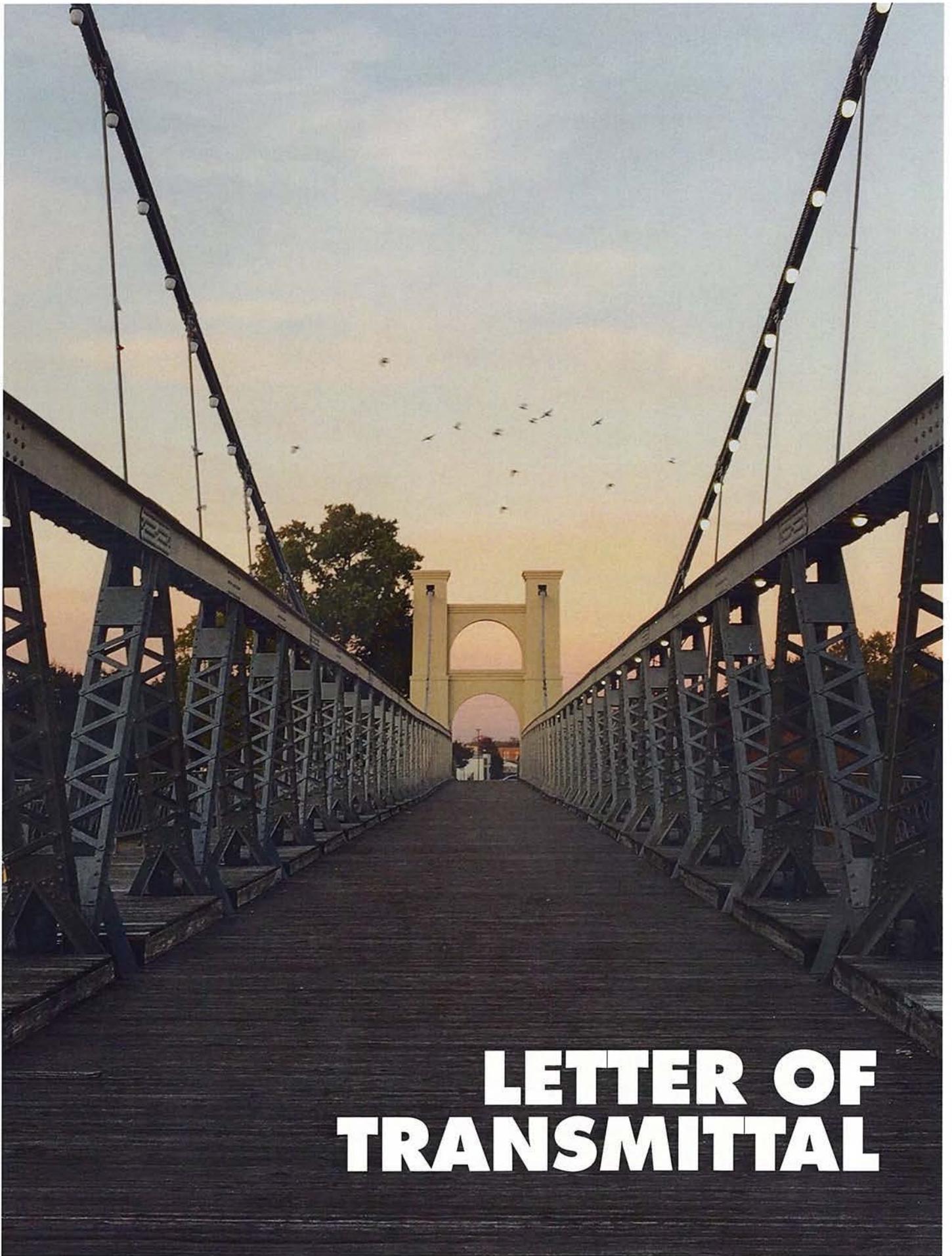


# **TEXAS LOTTERY COMMISSION REQUEST FOR PROPOSALS FOR ADVERTISING SERVICES**

Request for Proposal No. 362-18-0002 • Submitted 12.05.2017

**RICHARDS/LERMA**





**LETTER OF  
TRANSMITTAL**

December 5, 2017  
Angela Zgabay-Zgarba  
Texas Lottery Commission  
611 East 6th Street  
Austin, TX 78701

## **LETTER OF TRANSMITTAL**

Dear Ms. Zgabay-Zgarba,

After attending the Pre-Proposal Conference at the Texas Lottery Headquarters, and as a Texas-based agency, Richards/Lerma is honored by the opportunity to submit our proposal to the Texas Lottery Commission for the Advertising Services Request for Proposal No. 362-18-0002, inclusive of all additional amendments.

We know selecting an agency partner is an important decision. It will not only help shape the future of your brand; it will directly impact our State's effort to generate income for worthy causes. We do not take our invitation to this process lightly, but we are up to the challenge. We are a full-service branding, creative and digital agency fully dedicated to crafting insightful, relevant communications for a diverse society. It is our goal to tell the exciting Texas Lottery story using every color of the Texas crayon box.

Since our founding nine years ago by Pete Lerma and Stan Richards of The Richards Group, clients and peers have recognized us as an industry thought leader. Recently, we were named the 2017 Independent Agency of the Year at FIAP, an international festival held since 1969 that acknowledges the most prestigious advertising agencies of Latin America, the U.S. and Europe. And while we are honored by accolades, creating results for you is what really drives us.

Below are our core beliefs and why we feel Richards/Lerma is the best agency partner for the Texas Lottery Commission:

- We are world-class marketers and multicultural experts, an important combination that guides who we hire and who we work with.
- We are a branding agency. We exist to endear brands to people with a relentless dedication to creativity that works at every point of contact.
- Retail is in our DNA. The Home Depot was our first client and is still our client. Over the years, we've partnered with other retailers in competitive categories – companies such as MetroPCS. Our insights on purchase behavior and consumer motivations, partnered with your extensive knowledge, will provide a solid foundation for success.
- We are planning-centric. The depth and breadth of our research tools give us the resources to develop insightful strategies with measured results.
- We are LOUD & CLEAR®. "LOUD" in our creative executions, so messages are heard the first time. "CLEAR" in our strategies and approach, so they drive results.
- Our Omnicultural approach resonates in the Texas minority-majority landscape. It's all about having one brand voice that is culturally fluent and customized to meet the unique needs of our evolving State.

- We are a next generation agency. We disregard assumptions and stereotypes and are committed to listening, researching, learning, understanding and adapting.
- We have digital roots. Not many Hispanic agencies have a founder who built a digital agency at the forefront of the digital age. Digital is forever present in everything we do versus something we check the box on.
- We understand and embrace the magnifying glass you operate under. The need for transparency and accountability in business is greater than ever. We have the policies and procedures in place to ensure full transparency and accountability.
- We are a reflection of Texas. We understand the minority-majority because we are that minority-majority.
- We are proudly independent. We always have been and always will be. Our independence means we get to define our own priorities. And those priorities are to do great work, take care of our clients and take care of our people.

Richards/Lerma hereby commits to providing the goods and services required by the Texas Lottery Commission in this RFP through the use of in-house services, HUB Subcontractors and non-HUB Subcontractors as outlined in this RFP. Subcontractors for disciplines required in this proposal include:

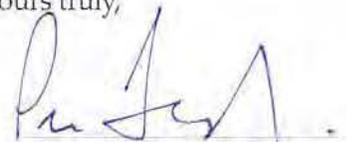
- Media Planning: Ro2 Media (aka Ro Two Media, LLC) based in Dallas
- Media Buying and Experiential: GDC Marketing & Ideation (aka F. Guerra DeBerry, LLC) based in San Antonio
- Social Media Content: Socialisssima (aka Socialisssima, LLC) based in Austin

Richards/Lerma has read, understands and will comply with the terms in Sections 1 and 2 of this RFP. Please note that Richards/Lerma accepts the terms and conditions set forth in Section 3 of this RFP, with the exception that it requests that it be able to place media and obtain third-party production on the basis of sequential liability (which is the normal practice in the industry for placing media and production), where the Texas Lottery has specifically authorized such expenditures in writing. We would propose the following language be added to Section 3.7:

“Notwithstanding the foregoing, Successful Proposer is authorized to act as the Texas Lottery’s agent with regard to the purchase of media and services hereunder where such purchases have been approved by the Texas Lottery in writing. Successful Proposer may contract on the basis of sequential liability with such media and vendors.”

The accompanying Proposal is valid for one hundred and eighty (180) days beginning December 6, 2017. Please contact Salma Gottfried via phone at 214-891-2946 or email at [sgottfried@richardslerma.com](mailto:sgottfried@richardslerma.com) should you have any questions about our agency or any section of our proposal.

Yours truly,



Pete Lerma

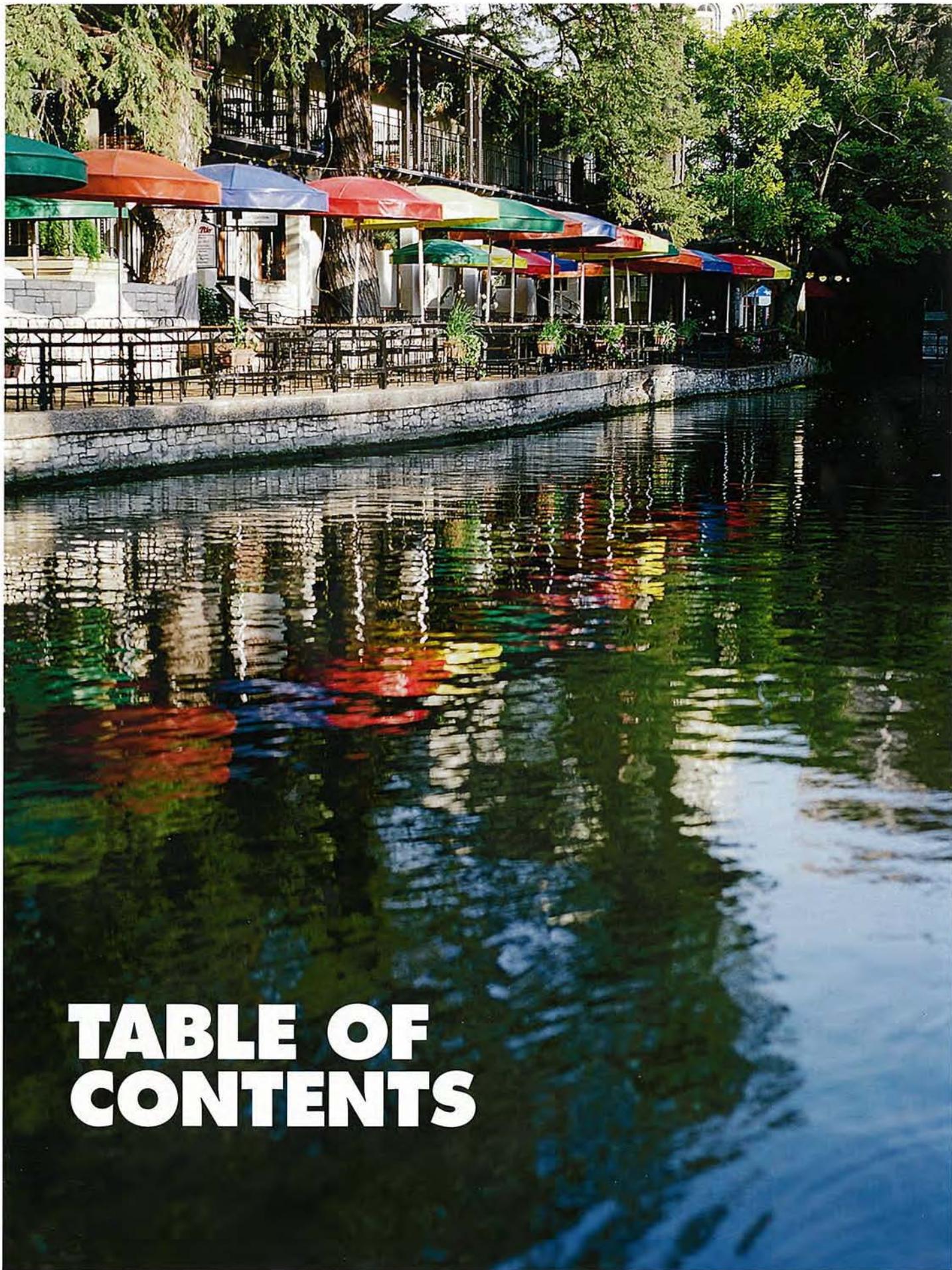
Founder/Principal

Richards/Lerma

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# EXECUTIVE SUMMARY



Richards/Lerma fully understands the requirements of the RFP and commits to delivering all the goods and services through our in-house services as well as our subcontracting partners outlined in Section 4.1.1 and the HUB Subcontracting plan of Section 5.

While the above paragraph suits the needs of this Executive Summary, we want you to know that's not the way we communicate with consumers. When we talk to your audience, we want to be passionate and to the point, connecting with them using what we call LOUD & CLEAR® communication.

Here's how we would rephrase it in our LOUD & CLEAR voice:

At Richards/Lerma, we're as elated as Astros fans at the World Series for the opportunity to partner with the Texas Lottery. We're ready to respond like a mid-engine sports car to deliver everything you need, when you need it, how you need it.

Throughout our proposal, we demonstrate why our approach is best suited for engaging consumers in a minority-majority Texas. We state why the breadth of our resources and talents of our team ensure the highest-quality thinking for you. And we show why our combined experience – currently working on behalf of other government agencies such as the U.S. Department of Agriculture and the Texas Department of Transportation – uniquely prepares us for the rigors of the day-to-day management of your business.

### **Who Is Richards/Lerma?**

Richards/Lerma is a Dallas-based full-service branding, creative and digital agency with over 90 employees who care passionately about creating insightful and relevant communications for a diverse, multicultural America.

We were founded nine years ago as a Hispanic-focused agency by Pete Lerma and Stan Richards of The Richards Group in response to the evolving U.S. demographic and cultural landscape. Over the years, we have evolved into a lead agency across all consumer segments (African-American, Asian, Hispanic, Non-Hispanic White). Part of that evolution has driven steady growth in our agency revenue and the ability to attract the best talent, invest in new technology and be at the forefront of the changes in the advertising landscape.

### **LOUD & CLEAR Is Our Rallying Cry**

It's how we describe our work. To achieve it, we start with sound strategy and craft our conviction into engaging creative that gets attention – and results. It ensures that consumers don't have to be exposed to a message ten times for it to sink in. They understand and relate to it the first time.

### **Independent Like Texas**

We are proudly independent. Our independence means we define our own priorities. These priorities are to do great work, take care of our clients and take care of our people. Unlike holding-company agencies, we have no pressures to squeeze clients for more money or to lower expenses to the point where the work is compromised.

Decisions about our agency and relationships are made in Dallas by our founders. This allows us to invest in relationships, doing great work and creating a culture that attracts and retains the best talent.

### Your Team

We pride ourselves on being world-class marketers and multicultural experts. The combination is an important one. It shapes who we hire, how we think, how we work, and most importantly, the results we provide for clients such as The Home Depot, MetroPCS, Dr Pepper, Anheuser-Busch InBev, Avocados From Mexico (regulated by the USDA), Clamato, and we hope in the near future, the Texas Lottery.

As you will see more in depth in Section 6, the team we have assembled to work on your business is composed of thought leaders with proven track records of delivering results for the brands they work on.

Your Texas Lottery team consists of our management team, current employees and Subcontractors who are not afraid to embrace and execute LOUD & CLEAR ideas. Ideas like the one in 2017 that resulted in the relatively unknown brand Avocados From Mexico winning the Super Bowl with the most brand mentions, strongest brand sentiment and highest purchase intent.

While we love the excitement of growing brands, we also understand that the management of daily logistics and transparency – legally required of a government entity – is just as critical to your success. Our agency's ability to provide high-level thinking with attention to detail is why nine years after opening our doors, we still have a strong relationship with our first client, The Home Depot.

The team leads we have assembled to work with you day-to-day across the disciplines outlined in this RFP are:

- Tommy Thompson – Account Director
- Flor Leibaschoff – Creative Director
- Carlos Rodriguez – Account Planner
- Francisco Cárdenas – Digital Strategy Director
- Norbi Zylberberg – Social Content (Socialisssima), Founder/Creative Director
- Rodrigo Vallejo – Media Planning (Ro2 Media), Media Director
- Beth Wammack – Media Buying, Experiential (GDC), Partner/Chief Operations Officer

Your team will be supported by our agency's Principals: Pete Lerma (Principal/Founder), Salma Gottfried (Principal/Brand Management), Aldo Quevedo (Principal/Creative), Quim Gil (Principal/Planning) and Melissa Sinkoski (Principal/Director of Finance and Operations). Norbi Zylberberg from Socialisssima will also serve as a sounding board to the team, given his previous experience working on your business.

## Our Qualifications

There are several key factors that make Richards/Lerma unique in the industry and your most qualified agency partner:

- Richards/Lerma is a branding agency. We exist for one reason: to endear brands to people. Endearing a brand to its customers requires creativity that works – and works consistently – at every point of contact to drive sales. Our Spherical® Branding process is a collaborative, multiphase process consisting of primary and secondary research, stakeholder interviews and workshops with you. The result is a strongly defined Brand Vision, Brand Positioning, Brand Personality and Brand Affinity that build conviction and consistent execution around a core brand idea.
- Retail is in our DNA. The Texas Lottery is a retail brand. We've worked with MetroPCS and The Home Depot for the last nine years to grow their business. We are used to working across different categories and with the intrinsic challenges they each present. Our job is to create breakthrough and engaging work that shapes customers' perceptions. But we also have to drive them to the store, day after day, week after week and month after month. We know how to motivate people to action at the speed of retail. Everything we do is intended to build sales overnight and brands over time. And our results are measurable. Both retailers, MetroPCS and The Home Depot, have outpaced the competition in growth.
- Our Omnicultural approach. We believe the most effective ad campaigns are those that align with multicultural values, aspirations and passion points. They must be real, relevant and devoid of cultural stereotypes. Our Omnicultural approach is about having one brand voice that is culturally fluent and customized to meet the unique needs of consumers. It ensures relevance in the communication without creating brand fragmentation.

As demonstrated in the work presented in Section 8.2, our Omnicultural approach provides the foundation for effectively engaging with a minority-majority population like that of Texas. Developing strategies and execution against a minority-majority audience is not new to us. We currently do it for MetroPCS, Dr Pepper, Bud Light Chelada and Clamato. Effective work must deliver beyond demographics and deliver on a mindset and a way of being. Being in a minority-majority State shapes how Texans think, how they behave and how they interact.

- We are a next generation agency. We disregard assumptions and stereotypes and are cognizant of the increasingly blurred lines between traditional demographics. We are committed to listening, researching, learning, understanding and adapting before we develop a strategic framework. We know that a brand's consumers are more than a language and demographic. And because we seek to understand their mindsets, it opens up our possibilities to accomplish greater objectives with our brands. Last year, we partnered with The University of Texas at Austin and invested to develop a nationally representative study on Millennials across all segments. The findings of that study (featured on [www.millennialsdeconstructed.com](http://www.millennialsdeconstructed.com)) provide a framework for all our Millennial-targeted efforts. This proprietary and ongoing effort ensures that we are always a step ahead.

- We have digital roots. Before founding Richards/Lerma, Pete Lerma spent 12 years leading Click Here, the largest specialized discipline within The Richards Group. Not many Hispanic agencies have a founder who previously built a digital agency. This expertise has given us an advantage in connecting our clients' brands with their multicultural audiences. Hispanics and multicultural consumers over-index on digital adoption, consumption and content creation. If brands want to truly engage this audience, they have to understand their digital behaviors and relate to them on the platforms they live in.

Our offices were designed to inspire digital experimentation and innovation. We created a lab where team members, clients and partners get hands-on with emerging technologies. Digital is never an afterthought. In fact, it's often the channel that leads all others. This experimentation led to the creation of the first virtual reality test drive for the relaunch of Jeep Cherokee in which dealers, customers and influencers could experience new interior features. We've also constructed multiple social media command centers for monitoring, planning and executing social media strategies. For Clamato, this resulted in the brand being repositioned from a product Hispanic moms used as an ingredient in the kitchen to a product people craved as a mixer for Micheladas.

- We understand the magnifying glass you operate under. The imperative for transparency in business is greater than ever. But you are not a regular business. You are the Texas Lottery. The need for accountability in everything you do is heightened. We are meticulous in this area. The transparency in our business practices is part of our culture for all of our clients. We have processes and procedures in place to ensure the accountability of our actions and every dollar spent. We are programmed that way. It starts with being at work and logging in no later than 8:29:59, so we are ready to serve our clients at 8:30. We also do timesheets on a daily basis, so we always know where our time and your budget are being spent. Our financial rigor allows for detailed and accurate estimates, invoicing, and billing reconciliations, as well as budget tracking on a regular basis. We understand that every client has specific requirements for financial reporting, and as such, we can easily customize all reports to our meet clients' unique requirements. For example, we do this on a daily basis for Avocados From Mexico and the USDA, as well as TX DOT.
- Richards/Lerma is a reflection of Texas. Our State has been complex from the beginning—after all, the constitution of the Republic of Texas was drafted in part by Lorenzo de Zavala, the same man who helped pen the First Federal Republic of Mexico's constitution. And our agency was founded to embrace that complexity. We are Latino. We are American. Many of us were born in Texas, and true to the saying, the rest of us got here as fast as we could! We are white. We are black. We are English-dominant. We are Spanish-dominant. And we are everything in between. When clients walk into our office, they find people from all walks of life, living and working in harmony. We believe that gives us a perspective that not many agencies have – one that is critical for the Texas Lottery. We understand the minority-majority Texas. We are that minority-majority Texas.

### **Our Subcontracting Partners**

As part of our proposal, we have identified where we believe it makes strong business sense to subcontract with other thought leaders to deliver the requirements of the RFP.

All of our Subcontractors are listed in the Subcontracting Plan in Attachment C. There are three partners we would like to highlight, given their important role in delivering the goods and services outlined in the RFP. The following Subcontractors have experience in working with other government entities and have demonstrated the ability to deliver to our standards and rigors associated with reporting, attention to detail and transparency in day-to-day management of the business. Having partners that are from different cities allows us to take the pulse of the consumers' mindset throughout the State.

Through the engagement of HUB Subcontractors across several disciplines, we are allocating 82% of the budget to Texas HUBs. Three key subcontracting partners we would like to highlight are:

- Media Planning – Ro2 Media. Based in Dallas.
- Media Buying and Experiential – GDC Marketing & Ideation. Based in San Antonio and HUB-certified.
- Social Content – Socialisssima. Based in Austin and HUB-certified.

### **Our Work For You**

There are a number of objectives we have to meet on behalf of the Texas Lottery, but the bottom line is we need to increase sales and engagement among Texan adults. For the purpose of this proposal, the agency's work included in Section 8 is focused on Scratch-off games, specifically the Texas Loteria game during the time period of September-November with a budget of \$3 million.

To achieve that, we are providing a comprehensive advertising plan that leverages the insight our team unearthed during our quantitative and qualitative research efforts for this assignment. The insight "when it comes to Scratch-off games, the seconds before you scratch are the most thrilling for our audience" was the strategic platform the creative, experiential and digital teams utilized in bringing to life the three creative approaches we have included: "Stay Playful," "It's Kind of Like That," and "You Play Like the First Time, Every Time." For each of the concepts, we have included a range of executions across different media vehicles that will clearly illustrate how each can live across communication channels to engage Omnicultural Texans in a Loud & Clear way.

The media plan we have developed is based on a solid approach to achieve the business objectives outlined in the RFP by following three key principles: Provide media coverage throughout the State to reach all Texans, with special emphasis on key markets; cover the main segments of the audience robustly before including more segments in the communication; align the media resources with the business growth opportunity.

### **Case Studies**

Reading about an agency's approach is one thing, but seeing it in action is even better. In addition to the work we developed for this RFP, we have provided several case studies from Richards/Lerma, Ro2 Media, and GDC Marketing & Ideation, that not only illustrate the way we think but our ability to repeat the process time and time again to consistently achieve results for our clients.

# GLOSSARY OF TERMS





## GLOSSARY OF TERMS

This Glossary assigns definitions to the listed terms. The definition given to a term listed in this Glossary applies whenever the term appears in this Request for Proposals (RFP) and in any response, including a Proposal, to this Request for Proposals.

<b>Term</b>	<b>Definition</b>
<b>Apparent Successful Proposer</b>	The Proposer recommended by the evaluation committee and approved by the Executive Director, subject to the execution of a completed contract.
<b>Business Hours</b>	The Texas Lottery's business hours are 8:00 a.m. to 5:00 p.m. CT, Monday through Friday, except State holidays.
<b>Contract</b>	The agreement entered into by the Texas Lottery and the Successful Proposer, which will incorporate the contents of this RFP and the Successful Proposer's Proposal, except as specifically provided to the contrary in the Contract and any amendments to the Contract.
<b>Contract Award</b>	The day of the contract announcement after the signing of a Contract between the Texas Lottery and the Successful Proposer.
<b>CPA</b>	Texas Comptroller of Public Accounts.
<b>Day</b>	A calendar day.
<b>Executive Director</b>	The Executive Director of the Texas Lottery Commission or an employee of the Texas Lottery Commission authorized to act on behalf of the Executive Director.
<b>Executive Management</b>	The Executive Director of the Texas Lottery Commission and the Charitable Bingo Operations Director.
<b>Fiscal Year</b>	The Texas Lottery's fiscal year, which begins on September 1 and ends on August 31 of the following year.
<b>Historically Underutilized Business (HUB)</b>	A Historically Underutilized Business is a business that is certified by the State of Texas that (1) is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman, and/or Veteran as defined by 38 U.S.C. Section 101 who has suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); (2) is a for-profit entity that has not exceeded the size standards prescribed by 34 Texas Administrative Code (TAC) §20.294, and has its principal place of business in Texas; and (3) has an owner residing in Texas with a proportionate interest who actively participates in the control, operations and management of the entity's affairs. For further explanation, see the CPA HUB rule definitions at 34 TAC §20.282.
<b>HSP</b>	The Historically Underutilized Business Subcontracting Plan (HSP) required by Chapter 2161 of the Texas Government Code



	and by Texas Lottery Commission Rule, 16 TAC §403.301 (See Attachment C.).
<b>Intellectual Property Rights</b>	The worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations; and (v) any other proprietary or similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.
<b>Invited Option</b>	An Invited Option is identified as being of specific interest to the Texas Lottery; however, the Texas Lottery makes no commitment to quantity or timing for acquisition. The Proposer is not obligated to include an Invited Option in the Proposal.
<b>Offered Option</b>	Offered Options are not requested in the response to this RFP, but may be identified by the Proposer and included in its Proposal. A Proposer is not obligated to include an Offered Option in the Proposal. This is an opportunity for Proposers to offer options that the Texas Lottery may not have been aware of at the time the RFP was written. The Texas Lottery makes no commitment to quantity or timing for acquisition of Offered Options and offered options are not considered during evaluation of Proposals.
<b>Major And Prime Contracts</b>	The following Texas Lottery contracts are considered major or prime contracts: lottery operations and services, scratch (instant) ticket manufacturing and services, advertising services, lottery drawings CPA services, document management services, drawings studio and production services, promotional products, TLC Headquarters lease, TLC warehouse lease, internal audit services, internal control system, security management system and monitoring services, risk review and compliance monitoring, security officer services, website hosting services, Houston claim center lease, trademark license and promotional agreements with the Dallas Cowboys, Houston Texans, and Irving Music Factory The Texas Lottery may add or delete major or prime contracts at its sole option.
<b>Proposal</b>	All information and materials submitted by a Proposer in response to this RFP. This includes the Cost Proposal, Technical Proposal, and other information and materials provided to the Texas Lottery by the Proposer prior to Contract Award.



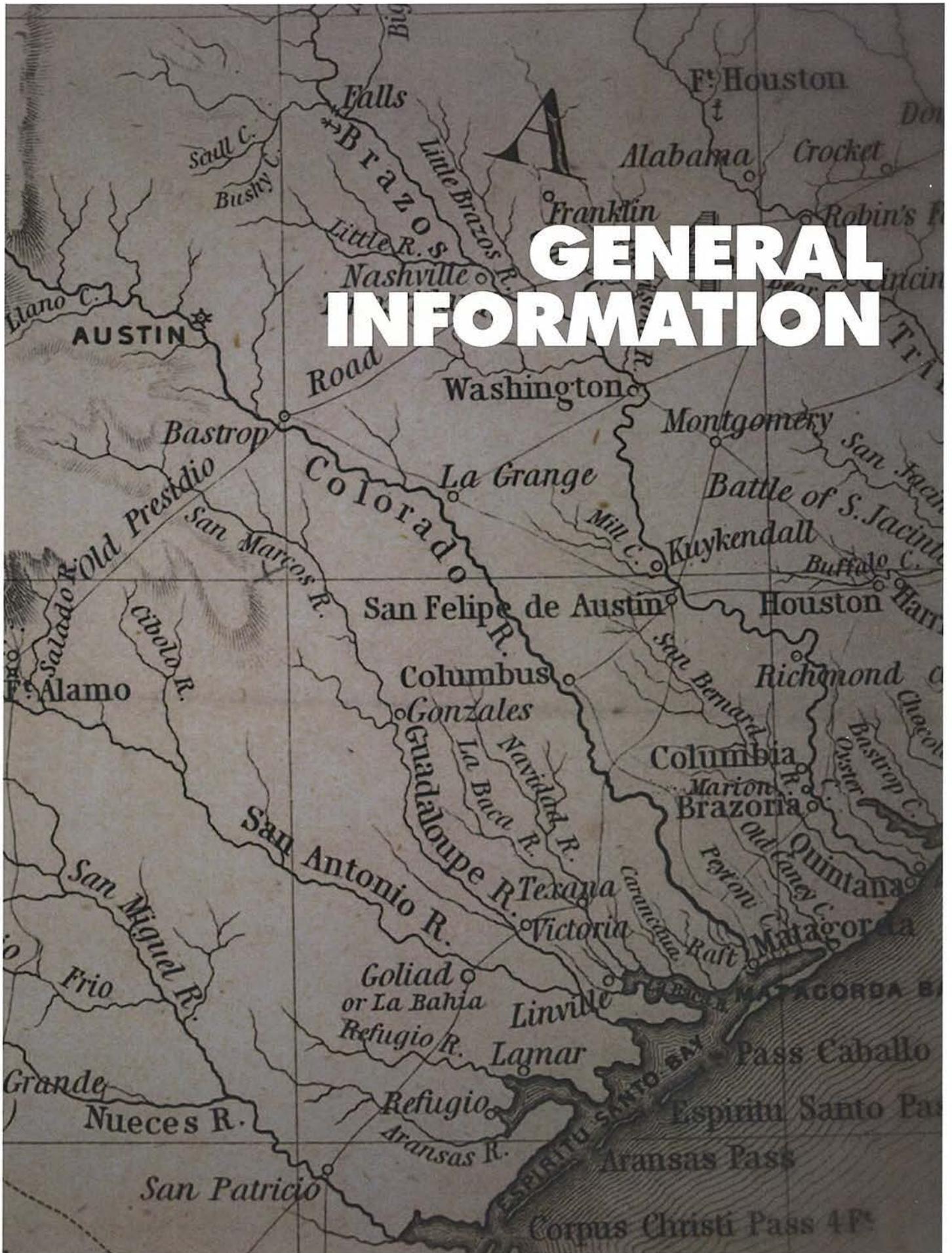
<b>Proposer</b>	An individual or entity that submits a Proposal. The term includes anyone acting on behalf of the individual or entity that submits a Proposal, such as agents, employees and representatives.
<b>Responsive Proposal</b>	A Proposal submitted which conforms in all material respects to the RFP, as determined by the Texas Lottery.
<b>RFP</b>	This Request for Proposals.
<b>State</b>	The State of Texas and its agencies, boards and commissions, officers and employees.
<b>Subcontractor</b>	A person who contracts with the Successful Proposer to work, to supply commodities, or contribute toward completing work for the Texas Lottery.
<b>Successful Proposer</b>	The Proposer with whom the Texas Lottery executes a Contract to provide the goods and services that this RFP requires.
<b>Texas Lottery Commission, Texas Lottery, Lottery or TLC</b>	That agency created by Chapters 466 and 467, Texas Government Code. The Texas Lottery Commission may be referred to as the Texas Lottery, Lottery or TLC throughout this document.
<b>Working Days</b>	Business days occurring Monday through Friday except for the legal holidays observed by the State of Texas. The terms "working days" and "business days" may be used interchangeably.
<b>Works</b>	Any tangible or intangible items or things that have been or will be prepared, created, maintained, serviced or developed by a Successful Proposer (or such third parties as the Successful Proposer may be permitted to engage) at any time following the effective date of the Contract, for or on behalf of TLC under the Contract, including but not limited to any (i) works of authorship (such as literary works, musical works, dramatic works, choreographic works, pictorial, graphic and sculptural works, motion pictures and other audiovisual works, sound recordings and architectural works, which includes but is not limited to lottery games, game names, game designs, ticket format and layout, manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer software, scripts, object code, source code or other programming code, HTML code, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) any copies, and similar or derivative works to any of the



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	foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided to TLC under the Contract, and (viii) all Intellectual Property Rights in any of the foregoing.
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# GENERAL INFORMATION





## 1 GENERAL INFORMATION

### 1.1 PURPOSE

- 1.1.1 The Texas Lottery Commission is issuing this Request for Proposals (RFP) to obtain proposals from qualified vendors to provide advertising services for the Texas Lottery with the objective of responsibly communicating information to all adult (ages 18+) Texans intended to enhance awareness of Texas Lottery games and the mission of the Texas Lottery to generate revenue for the State's designated beneficiaries including Texas public education and veterans.
- 1.1.2 The Successful Proposer shall be required to perform services as specified in this RFP and shall fully understand the Texas Lottery's history and background, and support the Texas Lottery's vision, mission, core values and goals. Proposers are encouraged to review the following:
- FY18 Media Flowchart Attachment I
  - FY16 Sales/Revenue by Game, Attachment J
  - Demographic Survey of Texas Lottery Players, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Reports.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Reports.html)
  - National Association of State and Provincial Lotteries (NASPL) website, [www.naspl.org](http://www.naspl.org)
  - La Fleur's website, [www.lafleurs.com](http://www.lafleurs.com)
  - the Texas Lottery Commission's 2018 Business Plan, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Reports.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Reports.html)
  - the Texas Lottery Commission's 2017-2021 Strategic Plan, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Strategic\\_Plans.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Strategic_Plans.html)
- 1.1.3 Proposers must demonstrate an understanding of Texas as a minority-majority state as well as the ability to effectively reach and speak to all adult (ages 18+) Texans. According to U.S. Census population estimates as of July 1, 2016, Texas had a minority population of 16.0 million comprising 57.4% of its total population of 27.9 million.
- 1.1.4 The Successful Proposer (either with its own resources and staff or through subcontracting -see Part 5- with other service vendors) must be able to perform the functions of a full-service advertising agency, including, but not limited to, branding, creative concepting, production, planning, purchase and placement of broadcast, digital, social, print and out-of-home advertising. Additional services include, but are not limited to, experiential event and activation planning, advertising-related market analysis and translation services.



## 1.2 OUR VISION AND MISSION

- 1.2.1 Vision – To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.
- 1.2.2 Texas Lottery Mission – The Texas Lottery is committed to generating revenue for the State of Texas through the responsible management and sale of entertaining lottery products. The Texas Lottery will incorporate the highest standard of security, integrity and responsible gaming principles, set and achieve challenging goals, provide quality customer service and utilize a TEAM approach.
- 1.2.3 Charitable Bingo Mission – Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

## 1.3 OUR CORE VALUES

- 1.3.1 Integrity and Responsibility — The Texas Lottery Commission works hard to maintain the public trust by protecting and ensuring the security of our lottery games, systems, drawings and operational facilities. We value and require ethical behavior by our employees, licensees and vendors. We promote the integrity of Charitable Bingo in Texas for the benefit of charitable organizations.
- 1.3.2 Innovation — We strive to incorporate innovation into our products to provide the citizens of Texas with the best entertainment experience available through our products. We pursue the use of technology that enhances the services that we provide to our customers and reduces our operating expenses. All proposed innovations must be authorized by Texas law, and do not include video lottery, casino gaming, internet-based lottery sales, fantasy sports, or any other activities not authorized by law.
- 1.3.3 Fiscal Accountability — We emphasize fiscal accountability by ensuring that all expenditures directly or indirectly generate revenue, enhance security, fulfill regulatory requirements, improve customer service and/or boost productivity. We recognize our responsibility in generating revenue for the State of Texas without unduly influencing players to participate in our games. We maximize benefits to charities through the continual examination and review of Charitable Bingo operations.
- 1.3.4 Customer Responsiveness — The Texas Lottery Commission takes pride in providing exemplary service to the people of Texas through the courteous dissemination of clear and accurate information about our products, services and regulatory functions. We seek and respond to feedback expressed by our employees, retailers, licensees and the playing and non-playing public. We apply this feedback in the development of our products and in the services that we provide.
- 1.3.5 Teamwork — We are committed to creating an environment of mutual respect where open, honest communication is our cornerstone. We embrace the diversity of our team and individual perspectives in working together to achieve our common goals.



- 1.3.6 Excellence — We strive for excellence by taking a position of leadership on issues that impact the Texas Lottery Commission and achieve challenging goals by focusing on our core values.

#### 1.4 SCHEDULE OF EVENTS

The following time periods are set forth for informational and planning purposes only. The Texas Lottery reserves the right to change any of the time periods and will post all changes on the Electronic State Business Daily, <http://esbd.cpa.state.tx.us/>, and/or the Texas Lottery website, <http://www.txlottery.org/> (Click on About Us, Doing Business with TLC, Procurement).

Date	Event
October 16, 2017 (4:00 p.m., CENTRAL TIME)	Issuance of RFP
October 25, 2017 (1:30 p.m., CENTRAL TIME)	Pre-Proposal Conference at Texas Lottery Headquarters
November 6, 2017 (4:00 p.m., CENTRAL TIME) (Late Questions will not be answered)	Written Questions Due
November 16, 2017 (4:00 p.m., CENTRAL TIME)	Final date for submission of draft HSP forms and final date to conduct one-on-one workshops (in person or via telephone conference)
November 17, 2017	Responses to Written Questions Issued
December 5, 2017 (4:00 p.m., CENTRAL TIME) (Late Proposals will not be considered)	Deadline for Proposals
January 22 - February 2, 2018	Oral Presentations
on or before February 23, 2018 (or as soon as possible thereafter)	Announcement of Apparent Successful Proposer

#### 1.5 SUCCESSFUL PROPOSER'S / LOTTERY RELATIONSHIP

The Texas Lottery Commission is a part of the Executive Branch of Texas State Government. The Texas Lottery will not relinquish control over lottery operations. The Successful Proposer shall function under the supervision of the Texas Lottery. Its operations will be subject to the same scrutiny and oversight that would apply if all operations were performed by Texas Lottery employees. Accordingly, all operations must be conducted in adherence to applicable statutes and the highest ethical standards.



## 1.6 PROCUREMENT AUTHORITY

This RFP and all activities leading toward the execution of a written contract pursuant to this RFP are being conducted in accordance with the State Lottery Act (TEX. GOV'T CODE ANN. §§ 466.001 et seq.), as amended; the Texas Lottery's administrative regulations (16 TAC §§ 401.101, et seq.); and other applicable laws of the State of Texas. All Proposers should read and be familiar with the State Lottery Act and 16 TAC §401.101.

## 1.7 PROPOSALS SUBJECT TO THE TEXAS PUBLIC INFORMATION ACT

- 1.7.1 The Texas Lottery is subject to the Texas Public Information Act (Act) (TEX. GOV'T CODE ANN., ch. 552). Proposals submitted to the Texas Lottery in response to this RFP are subject (in their entirety) to release by the Texas Lottery as public information. A Proposal, or specific parts thereof, may however, be shown by the Proposer to fall within one or more of the exceptions to disclosure provided in the Act, the State Lottery Act or other applicable law. Marking an entire Proposal as "confidential" or "copyrighted" is unacceptable. If a Proposer believes that parts of its Proposal are confidential under the Act, it should specify the confidential information by marking "Confidential" on each page or by each paragraph containing such information prior to submitting the Proposal to the Texas Lottery. In response to this Section, Proposers shall provide the Texas Lottery with specific and detailed reasons for each item marked "Confidential". Vague and general claims to confidentiality are not acceptable. This detail is necessary so that the Texas Lottery will have sufficient information to provide to the Attorney General of Texas, if a ruling regarding the confidentiality of such information is requested. Failure of a Proposer to respond to such notification may result in the release of all or part of the Proposal as public information. It is the Proposer's obligation to submit briefing to the Attorney General setting forth the basis upon which the requested information should remain confidential. The Attorney General may determine all or part of a Proposal to be public information even though parts of the Proposal were marked "Confidential" by the Proposer.

***Proposer has claimed confidentiality in sections 4.1.2, 4.5.1, 4.5.2, 7.1.1, and 8.2.1 for the reasons stated in each section.***

- 1.7.2 The Texas Lottery assumes no responsibility for asserting legal arguments to the Attorney General on behalf of Proposers.
- 1.7.3 Proposers are advised to consult with their legal counsel concerning disclosure issues resulting from this procurement process and to take precautions to safeguard trade secrets and other proprietary information.

## 1.8 MISUNDERSTANDING OR LACK OF INFORMATION

By submitting a Proposal, a Proposer covenants and agrees that it fully understands and will abide by the terms and conditions of the RFP and it will not make any claims for, or have any rights to, cancellation or relief without penalty because of any misunderstanding or lack of information. The Executive Director reserves the right to accept Proposals by waiving minor technicalities if the Executive Director, within his or her sole discretion, determines it to be in the best interests of the Texas Lottery. The decision of the Executive Director shall be conclusive, and subject to protest under Section 2.17 of this RFP.



## **1.9 REJECTION OF PROPOSALS AND CANCELLATION OF RFP**

Issuance of this RFP and/or retention of Proposals does not constitute a commitment on the part of the Texas Lottery to award a Contract. The Texas Lottery maintains the right to reject any or all Proposals, and to cancel this RFP, if the Texas Lottery, in its sole discretion, considers it to be in its best interests to do so.

## **1.10 OWNERSHIP OF PROPOSALS**

All materials submitted by a Proposer will become the property of the Texas Lottery and may be used as the Texas Lottery deems appropriate.

## **1.11 INCURRED EXPENSES**

The Texas Lottery accepts no obligations for costs incurred in preparing and submitting a Proposal. Proposals shall be submitted at the sole expense of the Proposer. All Proposals shall be prepared simply and economically, providing a straightforward, concise delineation of the Proposer's capabilities to satisfy the requirements of this RFP.

## **1.12 PROPOSAL TENURE**

All Proposals shall be valid for a period of one hundred and eighty (180) Days from the deadline for submitting Proposals.

## **1.13 NO TEXAS LOTTERY OBLIGATIONS**

The Texas Lottery reserves the right to select qualified Proposals to this RFP without discussion of the Proposals with Proposers. It is understood that all Proposals will become a part of the Texas Lottery's official procurement files after the Contract has been awarded or the procurement has been terminated, and will be available for public inspection except for portions that the Proposer has designated as proprietary and confidential (see Sections 552.110 and 552.305 of the Public Information Act and RFP section 1.7 above).

## **1.14 SUCCESSFUL PROPOSER'S OBLIGATIONS**

The Successful Proposer shall always be responsible for the performance of any contractual obligations that may result from the award of the Contract and shall be liable for the non-performance of any or all Subcontractors.

## **1.15 CAPTIONS**

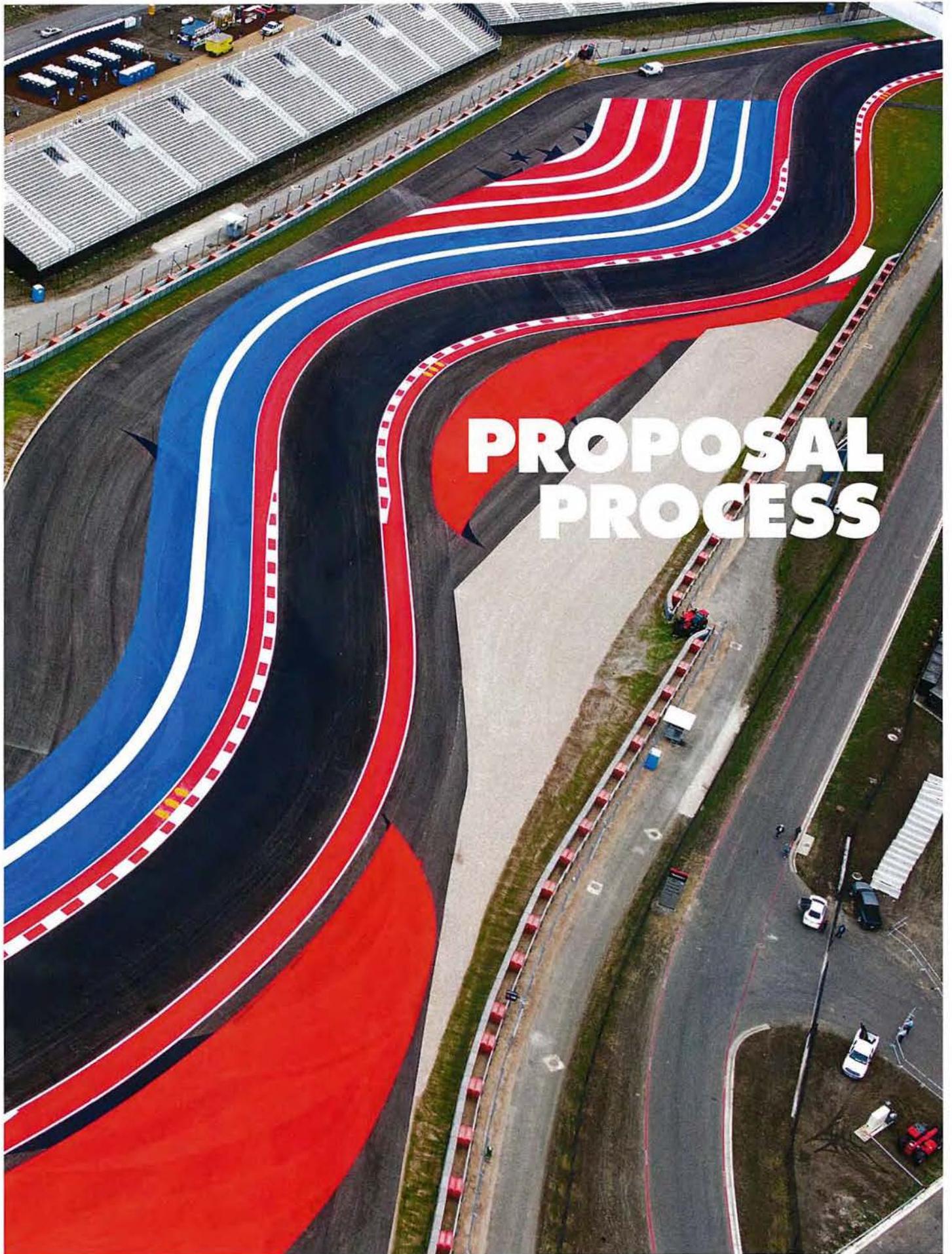
The captions to the Sections of this RFP are for convenience only and are not part of the RFP's substantive terms.



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### **1.16 PARTS INCORPORATED**

All attachments listed in the Table of Contents are incorporated into and expressly made a part of this RFP.



# PROPOSAL PROCESS



## 2 PROPOSAL PROCESS

### 2.1 CONTACT PERSON

The sole point of contact for communications concerning this RFP will be Angela Zgabay-Zgarba, whose mailing address and email address, are as follows:

Angela Zgabay-Zgarba  
 Contracts Management & Procurement Manager  
 Texas Lottery Commission  
 P. O. Box 16630  
 Austin, TX 78761-6630  
 Phone (512) 344-5215  
 contracts@lottery.state.tx.us

The Texas Lottery Headquarters' physical address for deliveries is:

Angela Zgabay-Zgarba  
 Contracts Administration  
 Texas Lottery Commission  
 611 East 6th Street  
 Austin, TX 78701

### 2.2 PROHIBITION AGAINST UNAUTHORIZED CONTACT

- 2.2.1 The Texas Lottery is committed to a procurement process that maintains the highest level of integrity. Accordingly, Proposers, as well as their agents, liaisons, advocates, lobbyists, "legislative consultants," representatives or others promoting their position, are limited to those communications authorized by and described in this RFP. Any attempt to influence any of the participants, whether that attempt is oral or written, formal or informal, direct or indirect, outside of this RFP process is strictly prohibited.
- 2.2.2 Should allegations of improper contact be made prior to Contract Award, the Executive Director may investigate those allegations and, in his sole discretion, disqualify a Proposer.

### 2.3 PRE-PROPOSAL CONFERENCE

Prospective Proposers should plan to attend a Pre-Proposal Conference to be held at the Texas Lottery Headquarters (611 East 6th Street, Austin, Texas). See the Schedule of Events for the date and time. The Pre-Proposal Conference will include an overview of the RFP and a presentation on the HUB Subcontracting Plan (HSP) requirements. A question-and-answer session will also take place regarding general, technical and HSP questions. Attendance at the Pre-Proposal Conference is recommended, but not mandatory. A video



of the Pre-Proposal Conference will be posted on the Texas Lottery website at [www.txlottery.org](http://www.txlottery.org). All prospective Proposers are highly encouraged to view the video.

## 2.4 INQUIRIES

- 2.4.1 Written inquiries concerning this RFP will be accepted and responses posted on the Electronic State Business Daily (ESBD), <http://esbd.cpa.state.tx.us/>, and the Texas Lottery website, [www.txlottery.org](http://www.txlottery.org), according to the timetable established in the Schedule of Events. Inquiries received after the deadlines set in the Schedule of Events may be reviewed by the Texas Lottery, but will not be answered. Any addenda or amendments, whether made as a result of a prospective Proposer's written inquiries or otherwise, will be posted on the ESBD and the Texas Lottery website. It is the responsibility of the Proposer to check these websites for any additional information regarding this RFP.
- 2.4.2 Inquiries shall be submitted by email by the inquiry submission deadline to:
- [contracts@lottery.state.tx.us](mailto:contracts@lottery.state.tx.us)
- 2.4.3 A Proposer shall inquire in writing and should obtain clarification as to any ambiguity, conflict, discrepancy, exclusionary specification, omission or error in this RFP (collectively, "errors") prior to submitting a Proposal, but in no event shall be entitled to additional compensation, relief or time by reason of any error or its later correction. If a Proposer fails to obtain written clarification of any errors, the Proposer shall submit a Proposal at its own risk; and, if awarded a Contract, the Proposer shall be deemed to have waived any claim to contest the Texas Lottery's interpretation thereof.

## 2.5 SUBMISSION OF PROPOSAL

- 2.5.1 Proposals must be delivered to Angela Zgabay-Zgarba at the address provided in Section 2.1 and received no later than the deadline established in the Schedule of Events. Late Proposals will not be considered. No exceptions will be made.
- 2.5.2 The Proposer shall submit one (1) signed original and ten (10) copies of its Proposal. For Part 5 only, Proposers shall provide one (1) signed original and two (2) copies of all required HSP documentation. All Proposals submitted must be bound in a three-ring binder, organized and arranged to correspond directly with the numbered sections of this RFP, and all pages must be numbered. For Parts 1, 2 and 3 only, Proposers may provide a blanket acknowledgment and acceptance in lieu of a section-by-section response. For Parts 4, 6, 7 and 8 only, Proposers shall provide a section-by-section response to the RFP. For Part 5, Proposers shall follow the instructions for completing and submitting a HSP.
- 2.5.3 If a Proposer is claiming any part(s) of its Proposal is confidential, the Proposer must provide a detailed response to Section 1.7 and mark the material as "Confidential". A Proposer may not amend a commitment to comply with a specific section of this RFP by a later reference back to that section.
- 2.5.4 The Proposer's Commitment (Attachment A) and the Background Information Certification (Attachment D-1) shall be signed by an officer or agent of the Proposer with



authority to contractually bind the Proposer, and the attachments must be included with the original Proposal.

- 2.5.5 Proposers are required to propose a complete solution, in their Proposal, to the Texas Lottery's requirements. Any items not specifically requested, but integral to the requested services, shall be included in the Proposal and identified in the appropriate sections thereof.
- 2.5.6 Proposers responding to this RFP must fully and completely address all goods, services and other requirements described in this RFP. Incomplete or partial Proposals will not be considered. The Proposer shall provide all information that the Proposer believes would be helpful to the Texas Lottery in evaluating the Proposer's ability to fulfill the RFP requirements.
- 2.5.7 In addition to the printed Proposal, the Proposer must also submit one copy of the text portion of its Proposal, excluding the Cost Proposal, on a compact disk or USB drive in a searchable PDF file. If there is any disparity between the contents of the printed Proposal and the contents of the Proposal contained in electronic format, the contents of the printed Proposal shall take precedence. The electronic or soft copy required herein will not be accepted in lieu of the signed original and copies as required in Section 2.5.2.
- 2.5.8 Proposals that have been copyrighted, in whole or in part, by any Proposer are unacceptable and may be rejected as non-responsive.

## **2.6 RESPONSE FORMAT & CONTENTS**

The Proposer must demonstrate its understanding of the requested goods and services and must address specifically, in writing, the Proposer's approach to providing each requirement in this RFP. Each Proposal must be organized in the manner described below:

- (a) Letter of Transmittal;
- (b) Executive Summary;
- (c) Section-by-section response to the RFP (see Section 2.5.2 above);
- (d) Sealed Cost Proposal (Attachment to the original proposal only);
- (e) Proposer's Commitment (Attachment A); and
- (f) Background Information Certification (Attachment D-1).

## **2.7 LETTER OF TRANSMITTAL**

- 2.7.1 Proposers must submit a Letter of Transmittal that identifies the entity submitting the Proposal and includes a commitment by that entity to provide the goods and services required by the Texas Lottery in this RFP. The Letter of Transmittal must state that the Proposal is valid for one hundred and eighty (180) Days from the Day after the deadline for submitting Proposals. Any Proposal containing a term of less than one hundred and eighty (180) Days for acceptance shall be rejected. The Letter of Transmittal must be signed by a person(s) legally authorized to bind the Proposer to the representations in the Proposal. The Proposer should also indicate, in its Letter of Transmittal, why it believes it is the most qualified Proposer to provide the goods and services required by the Texas Lottery in this RFP.



- 2.7.2 The Letter of Transmittal must include a statement of acceptance of the terms and conditions set forth in Part 3 of this RFP that will be included in the Contract. If the Proposer takes exception to any of the proposed terms and conditions, those exceptions must be noted in the Letter of Transmittal. Proposers shall provide specific and detailed reasons for each exception, together with suggested alternative language. Vague and general exceptions are not acceptable. Proposers should realize, however, that failure to accept the terms and conditions specified in Part 3 of the RFP may result in disqualification of the Proposal.

## **2.8 EXECUTIVE SUMMARY**

- 2.8.1 Proposers must provide an executive summary of their Proposal (excluding cost information) that asserts that the Proposer is providing, in its Proposal, all the requirements of this RFP. If the Proposer is providing goods or services beyond those specifically requested, those goods or services must be identified. If the Proposer is offering goods or services that do not meet the specific requirements of this RFP, but in the opinion of the Proposer are equivalent or superior to those specifically requested, any such differences must be noted in the Executive Summary. The Proposer should realize, however, that failure to provide the goods and services specifically requested may result in disqualification.
- 2.8.2 The Proposer must demonstrate its understanding of the requested goods and services and must address specifically, in writing, the Proposer's approach to providing each requirement in this RFP.
- 2.8.3 The Executive Summary must not exceed five (5) pages and should represent a full and concise summary of the contents of the Proposal.

## **2.9 PROPOSER'S CONTRACTING AUTHORITY**

The Proposer warrants and represents that the person named on the Proposer's Commitment (Attachment A) has the full right, power and is legally authorized to execute the Contract resulting from this RFP on behalf of the Proposer. Commitments must be unqualified, not limited, and fully commit the Proposer to provide the goods and services required under this RFP.

## **2.10 PROPOSER'S COST PROPOSAL**

- 2.10.1 The Proposer must state its pricing for all goods and services rendered during the course of the proposed Contract, including any and all costs involved that are to be paid or reimbursed by the Texas Lottery. The pricing for the required goods and services is to be presented only in the format set forth in Attachment H of the RFP. Pricing information shall include all costs associated with providing the required goods and services and must be submitted in a separate, sealed envelope clearly marked as such, attached to the original Proposal only. No reimbursement is available to the Successful Proposer beyond the



amount agreed to be paid for the goods and services provided. Pricing agreed to in any resulting Contract shall be firm and remain constant through the life of the Contract.

- 2.10.2 The Proposer shall not disclose its Cost Proposal or other cost information in the body of its written Proposal. Including cost information in the written Proposal may be cause for disqualification.

## 2.11 MULTIPLE PROPOSALS

Each Proposer may submit only one Proposal. If a Proposer submits more than one Proposal, all Proposals from that Proposer may be rejected.

## 2.12 CHANGES, MODIFICATIONS AND CANCELLATION

The Texas Lottery reserves the right to make changes to and/or cancel this RFP and will post all changes and modifications, whether made as a result of a potential Proposer's written inquiries or otherwise, and cancellation notices on the Electronic State Business Daily and the Texas Lottery websites. **It is the responsibility of the Proposer to check these websites for any additional information regarding this RFP. If the Proposer fails to monitor the ESD and TLC websites for any changes or modifications to the RFP, such failure will not relieve the Proposer of its obligation to fulfill the requirements as posted.**

## 2.13 UPDATES TO INFORMATION SUPPORTING A PROPOSAL

Following the submission of Proposals and prior to the signing of a Contract, the Proposer is under a continuing obligation to notify the Texas Lottery in writing of any updates or changes to information offered in support of its Proposal that might reasonably be expected to affect the Texas Lottery's consideration of the Proposal. Nothing in this section shall be interpreted to permit the unilateral modification by a Proposer of its commitment to provide goods and services described in its Proposal as filed for the cost stated therein.

## 2.14 ADDITIONAL INFORMATION

By submitting a Proposal, the Proposer grants the Executive Director the right to obtain any information from any lawful source regarding the past history, practices, conduct, ability and eligibility under the State Lottery Act of the Proposer to supply goods, services and to fulfill requirements under this RFP, and the past history, practices, conduct, ability and eligibility of any director, officer or key employee of the Proposer. By submitting a Proposal, the Proposer generally releases from liability and waives all claims against any party providing information about the Proposer at the request of the Executive Director. Such information may be taken into consideration in evaluating Proposals.



## 2.15 PROPOSAL EVALUATION AND CONTRACT AWARD

- 2.15.1 The Texas Lottery Commission intends to conduct a fair, comprehensive and impartial evaluation of all Proposals received in response to this RFP using an evaluation committee. The evaluation committee will be selected by the Executive Director and may consist of Texas Lottery employees or outside individuals with expertise in particular areas. In addition, the Texas Lottery's General Counsel, other in-house legal counsel, and outside legal counsel may assist by advising the evaluation committee. Texas Lottery employees and consultants may also assist in the process as technical non-voting members of the evaluation committee.
- 2.15.2 Each member of the evaluation committee will independently score each Proposal responsive to this RFP. Evaluation committee members may seek, obtain and consider the opinions of other committee members or subject matter experts (including Texas Lottery staff, staff from other Texas agencies and consultants retained by the Texas Lottery) when evaluating and independently scoring particular areas of the Proposals.
- 2.15.3 The evaluation committee may request clarification of information or representations in a Proposal before completing the initial evaluation. Requests for clarification and responses to requests for clarification will be in writing and will become part of the evaluation record.
- 2.15.4 The procurement process will be conducted in accordance with 16 TAC § 401.101.
- 2.15.5 At a minimum, the factors to be considered by the evaluation committee in evaluating Proposals shall include:
- (i) the proposer's price to provide the goods or services;
  - (ii) the probable quality of the offered goods or services;
  - (iii) The agency's evaluation of the likelihood of the proposal to produce the desired outcome for the agency, considering, among other criteria:
    - (I) the quality of the proposer's past performance in contracting with the agency, with other state entities, or with private sector entities;
    - (II) the qualifications of the proposer's personnel;
    - (III) the experience of the proposer in providing the requested goods or services;
    - (IV) the financial status of the proposer; and
  - (iv) whether the proposer performed the good faith effort required by the HUB subcontracting plan, when the agency has determined that subcontracting is probable.

The evaluation committee also may consider vendor performance reviews maintained by the Texas Comptroller of Public Accounts under TEX. GOV'T CODE ANN. Section 2262.055.

A copy of the scoring matrix is included as Attachment G.



2.15.6 A written notice of Contract Award will be posted on the ESBD, and sent to all Proposers immediately following execution of the Contract.

## **2.16 ORAL PRESENTATIONS AND/OR SITE VISITS**

2.16.1 Proposers shall be required to make oral presentations to the evaluation committee. See the Schedule of Events for dates.

2.16.2 Proposers invited for an oral presentation shall make an oral presentation under the following guidelines:

- 30 minute set-up period
- One hour for the presentation
- 30 minute break
- 30 minute question-and-answer period
- 30 minute tear-down period

Proposers may be required, as part of the presentation, to respond to questions developed by the evaluation committee.

2.16.3 The oral presentation must substantially represent material included in the original written Proposal, with emphasis placed on the creative response. Proposers will be provided with equal advance notice of oral presentation assignments and guidelines.

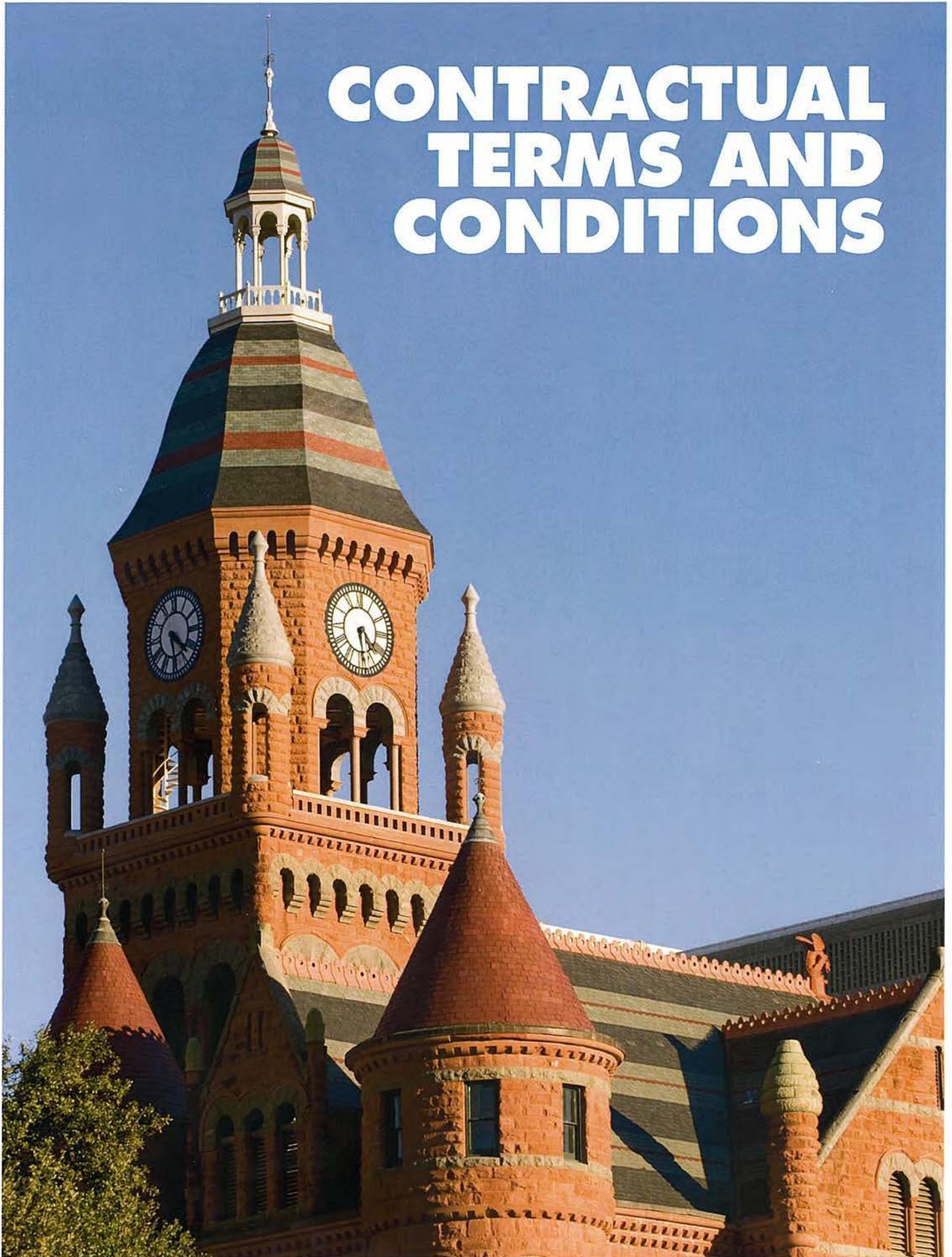
2.16.4 In addition to members of the evaluation committee, Texas Lottery purchasing and contracts staff, legal counsel, together with Texas Lottery employees and consultants assisting in the process as technical non-voting members of the evaluation committee, may be present during the oral presentations.. Oral presentations will be held at the Texas Lottery Commission headquarters in Austin, Texas, and may be videotaped by the Texas Lottery.

2.16.5 The Texas Lottery, in its sole discretion, reserves the right to conduct site visits prior to Contract Award.

## **2.17 PROTEST PROCEDURE**

Any protest shall be governed by TEX. GOV'T CODE ANN. § 466.101 and 16 TAC §§ 401.102-103.

# CONTRACTUAL TERMS AND CONDITIONS





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## 3 CONTRACTUAL TERMS AND CONDITIONS

### 3.1 INTRODUCTION

This part sets forth terms and conditions applicable to the procurement process as well as terms and conditions that will become part of the Contract. The Texas Lottery reserves the right to incorporate additional provisions in the Contract in the best interest of the Texas Lottery.

### 3.2 GOVERNING LAW AND VENUE

The procurement process, the award procedure, and the Contract shall be governed by, construed and interpreted in accordance with the applicable laws of the State of Texas. Any and all actions or suits brought by a Proposer or any related party regarding this RFP or the Contract shall be brought in the state district court located in Austin, Travis County, Texas. By submitting a Proposal, a Proposer is deemed to waive the right to bring any action in any other court. This section is purely a venue provision and shall not be deemed a waiver of sovereign immunity.

### 3.3 CONTRACT ELEMENTS

- 3.3.1 The Contract between the Texas Lottery and the Successful Proposer will follow the general format specified by the Texas Lottery. The Texas Lottery reserves the right to negotiate provisions in addition to those stipulated in this RFP. The contents of this RFP, as modified by published addenda or amendments, and the Successful Proposer's Proposal will be incorporated into the Contract. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the written Contract, the RFP, and the Successful Proposer's Proposal. Specific exceptions to this general rule may be noted in the Contract.
- 3.3.2 The Texas Lottery has determined that subcontracting opportunities are probable under this RFP. Therefore, the Texas Lottery requires the submission of an HSP as a part of each Proposal, as discussed further in Part 5 of this RFP. The HSP, if accepted by the Texas Lottery, will become a provision of the Contract.
- 3.3.3 If any term or provision of this RFP or the Contract is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the RFP or Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

### 3.4 AMENDMENTS

The Contract may be amended only by written agreement signed by both parties.



### **3.5 NON-WAIVER**

The failure of the Texas Lottery to object to, or to take affirmative action with respect to, any conduct of the Successful Proposer which is in violation or breach of the terms of the Contract shall not be construed as a waiver of the violation or breach, or of any future violation or breach. Nothing in this RFP, or the Contract, shall constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the Texas Lottery Commission, as an agency of the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the Texas Lottery Commission under this contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities, or be considered as a basis for estoppel.

### **3.6 CLARIFICATION OF LOTTERY'S INTENT**

It is the responsibility of the Successful Proposer to address and resolve all questions with the Texas Lottery's designated points of contact, and to achieve a clear understanding of all Texas Lottery requirements during each stage of the Contract term. The Texas Lottery will use reasonable efforts to provide timely responses to questions of policy or procedure as they may affect the Successful Proposer's performance. Key Texas Lottery staff will be available to the Successful Proposer on a reasonable basis, but may not be available on State or national holidays, as defined in Section 662.003 of the TEX. GOV'T CODE ANN., or weekends.

### **3.7 RELATIONSHIP OF THE PARTIES**

The Successful Proposer and the Texas Lottery agree and understand that the Successful Proposer shall render the goods, services and requirements under the Contract as an independent contractor, and nothing contained in the Contract will be construed to create or imply a joint venture, partnership, employer/employee relationship, principal agent relationship or any other relationship between the parties. Employees of the Successful Proposer will not be considered employees of the Texas Lottery within the meaning of any federal, state, or local law, ordinance, or regulation including, but not limited to, laws, ordinances, or regulations concerning unemployment insurance, social security benefits, workers compensation, or withholding requirements. The Successful Proposer shall be responsible for complying with any such laws, ordinances, or regulations, and shall indemnify and hold harmless the Texas Lottery from any costs or damages, including attorney's fees, sustained by the Texas Lottery resulting from the Successful Proposer's breach of its obligations under this section. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.



### 3.8 PAYMENT

- 3.8.1 All payments will be made in accordance with TEX. GOV'T CODE ANN. ch. 2251 ("Payments for Goods and Services"). The Successful Proposer shall submit invoices in accordance with Section 7.14 and as prescribed by the Texas Lottery. Each invoice shall note the contract number, services rendered and date of services. Invoices may be submitted by mail to the Texas Lottery Commission, P. O. Box 16630, Austin, Texas 78761-6630, Attn: Accounts Payable or by e-mail to AccountsPayable@lottery.state.tx.us. Payments will be made only upon the completion of services or after the delivery of goods authorized in an approved invoice.
- 3.8.2 Pursuant to TEX. GOV'T CODE ANN. § 2251.025, interest is not due on a payment until it becomes "overdue." A payment is not "overdue" until the 31st day after the latter of: (1) the date the Texas Lottery receives the goods covered by the contract; (2) the date the performance of service under the contract is completed; or (3) the date the Texas Lottery receives an invoice for the goods or services. TEX. GOV'T CODE ANN. § 2251.021. Services are "completed" when accepted by the Texas Lottery.
- 3.8.3 The Successful Proposer acknowledges that the State of Texas requires consistent, high quality performance during the entire term of any Contract resulting from this RFP and during any transition to an alternate or successor provider. The Successful Proposer agrees that to ensure such consistent, high quality performance, and an orderly transition to a new vendor, the Texas Lottery may withhold the last two (2) payments due during the last year of any Contract resulting from this RFP (the "Hold Back"). In the event that the Successful Proposer fully and completely performs all of its duties under any Contract resulting from this RFP, and a successful transition to an alternative provider is completed, then upon such completion the Texas Lottery shall pay the Hold Back to the Successful Proposer. In the event that the Successful Proposer fails to fully and completely perform all of its duties under any Contract resulting from this RFP, or the transition to an alternative vendor is unsuccessful, and such failure is proximately caused in whole or part by any act or omission of the Successful Proposer, the Texas Lottery shall be entitled to retain the Hold Back or such portion as the Executive Director deems equitable.
- 3.8.4 The Successful Proposer agrees that if the Texas Comptroller of Public Accounts is prohibited from issuing a warrant to the Successful Proposer under Section 403.055 of the TEX. GOV'T CODE ANN., any payments owed to the Successful Proposer under the Contract will be applied towards the debt or delinquent taxes that the Successful Proposer owes the State of Texas until the debt or delinquent taxes are paid in full.

### 3.9 ASSIGNMENTS

- 3.9.1 No right or obligation of the Successful Proposer under the Contract may be assigned by the Successful Proposer without the prior written approval of the Texas Lottery, and in the event of any such approval, the terms and conditions hereof shall apply to and bind the party or parties to whom the right or obligation is assigned as fully and completely as the Successful Proposer is hereunder bound and obligated. No assignment shall operate to



release the Successful Proposer from its liability for the timely and effective performance of its obligations hereunder. Assignments made in violation of this provision shall be null and void.

- 3.9.2 Subject to the limitations on assignment contained herein, the Contract shall inure to the benefit of, and be binding upon, the successors and assigns of the respective parties hereto.

### **3.10 SUBCONTRACTING**

- 3.10.1 If any part of the Contract between the Texas Lottery and the Successful Proposer is to be subcontracted, the Successful Proposer must obtain prior written approval from the Texas Lottery, and the Subcontractor must comply with all applicable requirements of the Texas Lottery. The Texas Lottery reserves the sole right to require the Successful Proposer to terminate any Subcontractor with or without cause.
- 3.10.2 In the event the Texas Lottery approves of the use of any Subcontractor under an approved HUB Subcontracting Plan in accordance with Part 5, the Successful Proposer is not relieved of its responsibility and obligation to meet all the requirements of this RFP.
- 3.10.3 The Texas Lottery will incur no additional obligations and the obligations of the Successful Proposer will not be reduced as a result of any such subcontracts.
- 3.10.4 The Successful Proposer agrees to indemnify and hold the Texas Lottery harmless from all claims and actions of the Successful Proposer's Subcontractors. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.
- 3.10.5 The Successful Proposer's obligation to pay Subcontractors is governed by TEX. GOV'T CODE ANN. § 2251.022 ("Time for Payment by Vendor"), as it may be amended.

### **3.11 LOTTERY APPROVAL OF STAFFING**

- 3.11.1 The Successful Proposer shall not employ or contract with or permit the employment of unfit or unqualified persons or persons not skilled in the tasks assigned to them. The Successful Proposer shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. In accordance with TEX. GOV'T CODE ANN. § 466.155, "unfit" is defined as any person convicted of a felony, criminal fraud, gambling or gambling-related offense or a person convicted of a misdemeanor involving moral turpitude whose sentence, parole, mandatory supervision or probation ended less than ten (10) years ago. The Successful Proposer shall be responsible to the Texas Lottery for the acts and omissions of the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and Subcontractors and the Successful Proposer shall enforce strict discipline among the Successful Proposer's employees, agents (including, but not limited to, lobbyists) and Subcontractors performing the services under the Contract.



- 3.11.2 The Successful Proposer shall provide the Texas Lottery written notification and justification within three (3) Working Days of any changes involving the Successful Proposer's key personnel assigned to the Texas Lottery account. The Successful Proposer shall provide the Texas Lottery with the resume of the person who is to be hired or placed on the Texas Lottery account and must receive written approval from the Texas Lottery prior to the person's working on the account.
- 3.11.3 Notwithstanding anything herein to the contrary, any person employed by the Successful Proposer shall, at the written request of the Texas Lottery, and within the Texas Lottery's sole discretion, be removed immediately by the Successful Proposer from work relating to the Contract.

### **3.12 BACKGROUND INVESTIGATIONS**

- 3.12.1 Under TEX. GOV'T CODE ANN. §466.103, the Executive Director of the Texas Lottery is prohibited from awarding a contract for goods or services related to lottery operations to a person or legal entity who would not qualify for a sales agent license under the requirements of Government Code §466.155.
- 3.12.2 The Texas Lottery Commission may initiate investigations into the backgrounds of (a) the Successful Proposer; (b) any of the Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Successful Proposer Principals); (c) any of the Successful Proposer's employees; (d) any of the Successful Proposer's Subcontractors, or any of the Subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Successful Proposer, any Successful Proposer Principals, or Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety, the Federal Bureau of Investigation, and any other law enforcement agency. The Texas Lottery may terminate the Contract based solely upon the results of these background investigations.
- 3.12.3 The Successful Proposer agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about any Successful Proposer Principals, Successful Proposer employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons.
- 3.12.4 Upon notification by the Texas Lottery to the Successful Proposer that the Texas Lottery objects to an employee based on the results of a background investigation, the Successful Proposer shall prevent that employee from working on the Texas Lottery account and shall deny that employee access to the Texas Lottery systems.



### 3.13 COMPLIANCE

The Successful Proposer agrees to comply with all applicable laws, rules and regulations, including without limitation those involving non-discrimination on the basis of race, color, religion, national origin, age, sex and disability.

### 3.14 TERM OF CONTRACT

- 3.14.1 The Contract will commence on the Contract execution date and continue through August 31, 2022, subject to the termination provisions in this RFP and subject to the Texas Lottery being continued and funded by the Texas Legislature.
- 3.14.2 The Texas Lottery reserves the right to extend the Contract, at its sole discretion, for two (2) additional one-year periods, at the Contract rate or rates as modified during the term of the Contract.
- 3.14.3 At the end of the initial term or any renewal period, the Texas Lottery, at its sole discretion, reserves the right to extend the Contract for up to three (3) additional months, in one-month intervals, at the Contract rate or rates as modified during the term of this Contract.
- 3.14.4 At the end of the Contract term, or upon earlier termination under any provision of this Contract, the Successful Proposer shall, in good faith and with reasonable cooperation, aid in the transition to any new arrangement and provider, if requested by the Texas Lottery.

### 3.15 TERMINATION AT WILL

The Texas Lottery, in its sole discretion, may terminate, in whole or in part, the Contract at will and without cause, upon no less than thirty (30) Days' advance written notice. The Texas Lottery also may terminate the Contract immediately with written notice if the Executive Director, in his or her sole judgment, believes that the integrity or security of the Texas Lottery is in jeopardy and it is in the best interest of the Texas Lottery to do so. The Texas Lottery's right to terminate for convenience the Contract is cumulative of all rights and remedies which exist now or in the future.

### 3.16 TERMINATION FOR CAUSE

The Texas Lottery reserves the right to terminate the Contract, in whole or in part unless otherwise provided by the Federal Bankruptcy Code or any successor law, upon no less than five (5) Days' notice under any of the following conditions:

- (a) A receiver, conservator, liquidator or trustee of the Successful Proposer, or of any of its property, is appointed by order or decree of any court or agency or supervisory authority having jurisdiction; or an order for relief is entered against the Successful Proposer under the Federal Bankruptcy Code; or the Successful Proposer is adjudicated bankrupt or insolvent; or any portion of the property of the Successful Proposer is sequestered by court order and such order remains in effect for more than thirty (30) Days after such party obtains knowledge thereof; or a petition is



filed against the Successful Proposer under any state, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation, or receivership law of any jurisdiction, whether now or hereafter in effect, and such petition is not dismissed within thirty (30) Days, or

- (b) The Successful Proposer makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due, or consents to the appointment of a receiver, trustee, or liquidator of the Successful Proposer or of all or any part of its property; or judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or governmental body against the Successful Proposer, and the Successful Proposer does not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within thirty (30) Days from the date of entry thereof, and within said 30-Day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefore as may be required under generally accepted accounting principles; or a writ or warrant of attachment or any similar process shall be issued by any court against all or any material portion of the property of the Successful Proposer, and such writ or warrant of attachment or any similar process is not released or bonded within thirty (30) Days after its entry, or
- (c) A court of competent jurisdiction finds that the Successful Proposer has failed to adhere to any laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or
- (d) The Successful Proposer fails to communicate with the Texas Lottery as required by the Contract, or
- (e) The Successful Proposer fails to remove any person from work relating to the Contract upon written notice from the Texas Lottery, or
- (f) The Successful Proposer breaches the RFP's standard of confidentiality with respect to this RFP or the goods or services provided thereunder, or
- (g) The Texas Lottery makes a written determination that the Successful Proposer has failed to substantially perform under the Contract and specifies the events resulting in the Texas Lottery's determination thereof, or
- (h) The Successful Proposer fails to comply with any of the terms, conditions or provisions of the Contract, in any manner whatsoever, or
- (i) The Successful Proposer engages in any conduct that results in a negative public impression including, but not limited to, creating even an appearance of impropriety



with respect to the Texas Lottery, Texas Lottery games, the Successful Proposer, or the State of Texas.

### **3.17 TERMINATION RELATED TO AVAILABILITY OF LEGISLATIVE APPROPRIATIONS**

All obligations of the Texas Lottery are subject to the availability of legislative appropriations. The Successful Proposer acknowledges the ability of the Texas Lottery to make payments under the Contract is contingent upon the continued availability and authorization for expenditure of funds. The Successful Proposer further acknowledges funds may not be specifically appropriated for the Contract and the Texas Lottery's continual ability to make payments under the Contract is contingent upon the funding levels appropriated to the agency. The Texas Lottery will use all reasonable and lawful efforts to ensure funds are available. The Successful Proposer agrees if future levels of funding for the Texas Lottery are not sufficient to continue operations without operational reductions, the Texas Lottery, in its sole discretion, may terminate the Contract, either in whole or in part. In the event of such termination, the Texas Lottery will not be considered to be in default or breach under the Contract, nor shall it be liable for any damages or other amounts caused by or associated with such termination. The Texas Lottery shall make reasonable best efforts to provide advance written notice of Contract termination to the Successful Proposer. In the event of termination, the Successful Proposer shall, unless otherwise mutually agreed upon in writing, cease all work immediately. The Texas Lottery shall be liable for payments limited only to the portion of work the agency authorized in writing before the termination date that the Successful Proposer has completed, delivered to the agency, and that is accepted by the agency.

### **3.18 TERMINATION WITHOUT PENALTY**

Pursuant to TEX. GOV'T CODE ANN. § 466.014(c), the Executive Director is permitted to terminate the Contract, without penalty, if an investigation reveals that the Successful Proposer would not be eligible for a sales agent license under TEX. GOV'T CODE ANN. § 466.155.

### **3.19 NO LIABILITY UPON TERMINATION**

If the Contract is terminated for any reason, the Texas Lottery and the State of Texas shall not be liable to the Successful Proposer for any damages, losses, financial obligations, breach of contract, or any other claims or amounts arising from or related to any such termination. However, the Successful Proposer may be entitled to the remedies provided in TEX. GOV'T CODE ANN., ch. 2260.

### **3.20 WARRANTIES**

3.20.1 The Successful Proposer warrants and agrees that it is lawfully organized and constituted under all applicable national, international, state and local laws, ordinances and other



authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.

- 3.20.2 The Successful Proposer warrants and agrees that it has the legal authority and capacity to enter into and perform the Contract, and that it has the financial ability to perform its obligations under such Contract.
- 3.20.3 The Successful Proposer warrants and agrees that it is duly authorized to operate and do business in all places where it will be required to do business under the Contract; that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- 3.20.4 The Successful Proposer warrants and agrees that it has no present interest and shall not acquire, or assign to any third party, any interest that would conflict in any manner with its duties and obligations under the Contract.
- 3.20.5 The Successful Proposer warrants and agrees that all goods and services it supplies in its performance under the Contract shall meet the performance standards required thereunder and shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.
- 3.20.6 The Successful Proposer warrants and agrees that it shall not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this RFP without the express written consent of the Texas Lottery.
- 3.20.7 The Successful Proposer warrants that it is eligible for a sales agent license under TEX. GOV'T CODE ANN. § 466.155 (Chapter 466 is also known as the State Lottery Act).
- 3.20.8 The Successful Proposer warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods or system proposed in response to the RFP or any interest therein, or permit any of it to become a fixture or accession to other goods or property.

### **3.21 SUCCESSFUL PROPOSER SITE VISITS**

The Texas Lottery shall have the free and unrestricted right, acting by itself or through its authorized representatives, to enter the premises of the Successful Proposer and any Subcontractors, and to enter any other sites involved in providing goods and/or services under the Contract, to examine their operations and to inspect and copy the records of the Successful Proposer and/or Subcontractors pertaining to goods and services provided under the Contract. The Successful Proposer agrees that the Successful Proposer and its Subcontractors shall implement all reasonable quality control and security procedures requested by the Texas Lottery or representatives as designated by the Texas Lottery. The Texas Lottery will use reasonable efforts not to disrupt the normal business operations of the Successful Proposer (or Subcontractor, as applicable) during site visits announced or unannounced.



### 3.22 INTELLECTUAL PROPERTY RIGHTS

- 3.22.1 *Ownership.* As between the Successful Proposer and the Texas Lottery, the Works and Intellectual Property Rights in the Works are and shall be owned exclusively by the Texas Lottery, and not the Successful Proposer. The Successful Proposer specifically agrees that all Works shall be considered “works made for hire” and that the Works shall, upon creation, be owned exclusively by the Texas Lottery. To the extent that the Works, under applicable law, may not be considered works made for hire, the Successful Proposer hereby agrees that the Contract transfers, grants, conveys, assigns, and relinquishes exclusively to the Texas Lottery all right, title and interest in and to the Works, and all Intellectual Property Rights in the Works, without the necessity of any further consideration, and the Texas Lottery shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Works, subject to any exceptions with respect to pre-existing or third party rights as set forth below.
- 3.22.2 *Ownership of Prior Rights by the Texas Lottery.* All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Texas Lottery prior to the issuance of this RFP or execution of the Contract (e.g., copyrights, trademarks, etc.) shall continue to be exclusively owned by the Texas Lottery, and the Successful Proposer shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible and intangible items solely for the purposes set forth in this RFP or the Contract, if any, and only for the duration of such Contract.
- 3.22.3 *Ownership of Prior Rights by the Successful Proposer.* All property and tangible or intangible items, including the Intellectual Property Rights therein, that were created, developed or owned by the Successful Proposer prior to the issuance of this RFP shall continue to be exclusively owned by the Successful Proposer, and the Texas Lottery shall have no ownership thereof, and no rights thereto, other than the limited, non-exclusive right to use such property or tangible or intangible items solely for the purposes set forth in this RFP or the Contract. All intellectual property relating to the goods and/or services set forth herein or under the Contract, including the Intellectual Property Rights in those goods and/or services, that was created, developed or licensed by the Successful Proposer prior to the issuance of this RFP or the execution of the Contract, or during the term of the Contract, to the extent such intellectual property is not considered “works” as defined above, shall be, and is, licensed to the Texas Lottery on a non-exclusive, perpetual, irrevocable, royalty-free, worldwide basis, to allow the Texas Lottery or its designees to provide, and continue to provide, the goods and services set forth herein or under the Contract, including after the expiration or termination of the Contract.
- 3.22.4 *Further Actions.* The Successful Proposer, upon request and without further consideration, shall perform any acts that may be deemed necessary or desirable by the Texas Lottery to evidence more fully the transfer of ownership of all Works to the Texas Lottery to the fullest extent possible, including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by the Texas Lottery. In the event the Texas Lottery shall be unable for any reason to obtain the Successful Proposer’s



signature on any document necessary for any purpose set forth in the foregoing sentence, the Successful Proposer hereby irrevocably designates and appoints the Texas Lottery and its duly authorized officers and agents as the Successful Proposer's agent and the Successful Proposer's attorney-in-fact to act for and in the Successful Proposer's behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by the Successful Proposer.

- 3.22.5 *Waiver of Moral Rights.* The Successful Proposer hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Works which the Successful Proposer may now have or which may accrue to the Successful Proposer's benefit under U.S. or foreign copyright laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the Works and the right to object to any modification, translation or use of the Works, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.
- 3.22.6 *Confidentiality.* All Works and all materials forwarded to the Successful Proposer by the Texas Lottery for use in and preparation of the Works, shall be deemed the confidential information of the Texas Lottery, and the Successful Proposer shall not use, disclose, or permit any person to use or obtain the Works, or any portion thereof, in any manner without the prior written approval of the Texas Lottery.
- 3.22.7 *Injunctive Relief.* The RFP and the Contract are intended to protect the Texas Lottery's proprietary rights pertaining to the Works, and the Intellectual Property Rights therein, and any misuse of such rights would cause substantial and irreparable harm to the Texas Lottery's business. Therefore, the Successful Proposer acknowledges and stipulates that a court of competent jurisdiction should immediately enjoin any material breach of the intellectual property, licensing, and confidentiality provisions of the RFP or Contract, upon a request by the Texas Lottery, without requiring proof of irreparable injury as same should be presumed.
- 3.22.8 *Return of Works.* Upon the request of the Texas Lottery, but in any event upon expiration or termination of the Contract, the Successful Proposer shall surrender to the Texas Lottery all documents and things pertaining to the Works, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by the Successful Proposer or furnished by the Texas Lottery to the Successful Proposer, including all materials embodying the Works, any Texas Lottery confidential information, or Intellectual Property Rights, regardless of whether complete or incomplete. This section is intended to apply to all Works made or compiled by the Successful Proposer, as well as to all documents and things furnished to the Successful Proposer by the Texas Lottery or by anyone else that pertains to the Works.



3.22.9 *Successful Proposer's Name or Logo.* The Successful Proposer shall not affix its company name, label, logo, or any other similar identifying information to or on any products, equipment or any other goods provided under the Contract.

### **3.23 PRE-EXISTING AND THIRD PARTY RIGHTS**

3.23.1 To the extent that any pre-existing rights and/or third party rights or limitations are embodied, contained, reserved or reflected in the Works, the Successful Proposer shall either (a) grant to the Texas Lottery the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such pre-existing rights and any derivative works thereof in connection with the sale, offering for sale, marketing, advertising, and promotion of the Texas Lottery's goods and services, and in all forms of media, media channels and/or publicity that may now exist or hereafter be created or developed, including but not limited to television, radio, print, Internet, and social media (e.g., Facebook, Twitter, YouTube, etc.) and (ii) authorize others to do any or all of the foregoing, or (b) where the obtaining of the aforementioned rights is not reasonably practical or feasible, provide written notice to the Texas Lottery of such pre-existing or third party rights or limitations, request the Texas Lottery's approval of such pre-existing or third party rights, obtain a limited right and license to use such pre-existing or third party rights on such terms as may be reasonably negotiated, and obtain the Texas Lottery's written approval of such pre-existing or third party rights and the limited use of same. The Successful Proposer shall provide the Texas Lottery with documentation indicating a third party's written approval for the Successful Proposer to use any pre-existing or third party rights that may be embodied, contained, reserved or reflected in the Works. The Successful Proposer shall indemnify, defend and hold the Texas Lottery harmless from and against any and all claims, demands, regulatory proceedings and/or causes of action, and all losses, damages, and costs (including attorneys' fees and settlement costs) arising from or relating to, directly or indirectly, any claim or assertion by any third party that the Works infringe any third party rights. The foregoing indemnity obligation shall not apply to instances in which the Texas Lottery either (y) exceeded the scope of the limited license that was previously obtained by the Successful Proposer and agreed to by the Texas Lottery, or (z) obtained information or materials, independent of the Successful Proposer's involvement or creation, and provided such information or materials to the Successful Proposer for inclusion in the Works, and such information or materials were included by the Successful Proposer, in an unaltered and unmodified fashion, in the Works.

3.23.2 The Successful Proposer agrees that it shall have and maintain, during performance of the Contract, written agreements with all employees, Subcontractors, or agents engaged by the Successful Proposer in performance hereunder, granting the Successful Proposer rights sufficient to support all performance and grants of rights by the Successful Proposer. Copies of such agreements shall be provided to the Texas Lottery promptly upon request.



### **3.24 REMEDIATION**

If the Works or the Intellectual Property Rights therein become the subject of a lawsuit or claim of infringement, or the Successful Proposer becomes aware that such items are likely to become the subject of a lawsuit or claim of infringement, the Successful Proposer shall exercise one (1) of the following two (2) options in order to provide the Texas Lottery with continued and uninterrupted use of the Works and Intellectual Property Rights therein: (a) obtain for the Texas Lottery the right to continue the use of the alleged infringing Works at no additional cost to the Texas Lottery, or (b) obtain alternative, substitute or new Works for the allegedly infringing Works, which are of equivalent or superior quality to the allegedly infringing Works, at no additional cost to the Texas Lottery, and subject to the acceptance of the Texas Lottery in its sole discretion.

### **3.25 INTELLECTUAL PROPERTY SEARCH**

The Successful Proposer, at its expense, shall conduct all appropriate intellectual property searches (e.g., full copyright, trademark or service mark or patent searches) for all proposed Works, to ensure that the proposed Works are protectable by the Texas Lottery and do not infringe the Intellectual Property Rights of any third person or entity. The Successful Proposer holds the Texas Lottery harmless from the infringement of such Works, as set forth above. The Texas Lottery retains the right and option to obtain or secure registration of the Works in its own name, and on its own behalf, without the substantive involvement of the Successful Proposer. The Texas Lottery will withhold indemnified losses from payments to the Successful Proposer, or, if no payments are made, the Texas Lottery will make demand of payment of indemnified losses. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand.

### **3.26 PERSONALITY RIGHTS**

The Successful Proposer hereby warrants and represents to the Texas Lottery that individuals or characters appearing or depicted in any advertisement have provided their written consent for the use of their persona or personality rights, including name, biographical information, picture, portrait, likeness, performance, voice and/or identity ("Personality Rights"), and have been compensated for such Personality Rights, if appropriate. If such permission has been obtained for a limited time, the Successful Proposer shall be responsible for any costs associated with claims resulting from the use of the Personality Rights after the expiration of those time limits. The Successful Proposer agrees to hold the Texas Lottery harmless from any claims, including, without limitation, claims for invasion of privacy, infringement of the right of publicity, libel, unfair competition, false advertising, intentional or negligent infliction of emotional distress, copyright or trademark infringement, and/or claims for attorney's fees, resulting from use of the Personality Rights.



### **3.27 ACCOUNTING RECORDS**

The Successful Proposer and its Subcontractors are required to maintain and retain their books, records, information and any and all other supporting fiscal documents relevant to showing any payments under the Contract were expended in accordance with the laws and regulations of the State of Texas, including, but not limited to, requirements of the Texas Comptroller of Public Accounts and the Texas State Auditor. These records shall be available to the Texas Lottery, its internal auditors or external auditors (and other designees) and the Texas State Auditor at all times during the Contract period and for a period of four (4) full years after (i) the expiration date of the Contract, or (ii) final payment under the Contract, whichever is later.

### **3.28 RIGHT TO AUDIT**

The Successful Proposer understands that acceptance of state funds under this Contract acts as acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. The Successful Proposer further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. The Successful Proposer will ensure that this clause concerning the State Auditor's Office's authority to audit state funds and the requirement to cooperate fully with the State Auditor's Office is included in any subcontracts it awards. Additionally, the State Auditor's Office shall at any time have access to and the rights to examine, audit, excerpt, and transcribe any pertinent books, documents, audit documentation, and records of the Successful Proposer relating to this Contract for any purpose.

### **3.29 INDEMNIFICATION**

**3.29.1 THE SUCCESSFUL PROPOSER SHALL INDEMNIFY, DEFEND AND HOLD THE TEXAS LOTTERY, ITS COMMISSION MEMBERS, THE STATE OF TEXAS, AND ITS AGENTS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND ASSIGNS (THE "INDEMNIFIED PARTIES") HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES, LAWSUITS, LOSSES, DAMAGES, COSTS, EXPENSES OR ATTORNEYS' FEES (COLLECTIVELY, "CLAIM"), AND INCLUDING ANY LIABILITY OF ANY NATURE OR KIND ARISING OUT OF A CLAIM FOR OR ON ACCOUNT OF THE WORKS, OR OTHER GOODS, SERVICES OR DELIVERABLES PROVIDED AS THE RESULT OF THE CONTRACT, WHICH MAY BE INCURRED, SUFFERED, OR REQUIRED IN WHOLE OR IN PART BY AN ACTUAL OR ALLEGED ACT OR OMISSION OF THE SUCCESSFUL PROPOSER, OR A SUBCONTRACTOR OF THE SUCCESSFUL PROPOSER, OR ANY PERSON DIRECTLY OR INDIRECTLY EMPLOYED BY THE SUCCESSFUL PROPOSER OR A SUBCONTRACTOR OF THE SUCCESSFUL PROPOSER, WHETHER THE CLAIM IS BASED ON NEGLIGENCE, STRICT LIABILITY, INTELLECTUAL PROPERTY INFRINGEMENT OR ANY OTHER**



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**CULPABLE CONDUCT, WHETHER FRIVOLOUS OR NOT. THE FOREGOING INDEMNITY OBLIGATIONS OF THE SUCCESSFUL PROPOSER SHALL NOT APPLY TO CLAIMS ARISING OUT OF OR RELATED TO THE EXCEPTIONS (Y) AND (Z) SET FORTH IN SECTION 3.23.1 ABOVE.**

**3.29.2 THE SUCCESSFUL PROPOSER'S LIABILITY SHALL EXTEND TO AND INCLUDE ALL REASONABLE COSTS, EXPENSES AND ATTORNEYS' FEES INCURRED OR SUSTAINED BY THE INDEMNIFIED PARTIES IN: (A) MAKING ANY INVESTIGATION AND IN PROSECUTING OR DEFENDING ANY CLAIM ARISING OUT OF OR IN CONNECTION WITH THE WORKS, OR OTHER GOODS, SERVICES OR DELIVERABLES PROVIDED UNDER THE CONTRACT (INCLUDING BUT NOT LIMITED TO ANY CLAIM THAT ALL OR ANY PORTION OF THE WORKS INFRINGES THE PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK, CONFIDENTIAL INFORMATION, OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY); (B) OBTAINING OR SEEKING TO OBTAIN A RELEASE THEREFROM; OR (C) ENFORCING ANY OF THE PROVISIONS CONTAINED IN THIS RFP OR THE CONTRACT. THE TEXAS LOTTERY WILL WITHHOLD ALL INDEMNIFICATION COSTS AND RELATED EXPENSES AND FEES (INCURRED OR SUSTAINED BY THE INDEMNIFIED PARTIES) FROM PAYMENTS TO THE SUCCESSFUL PROPOSER UNDER THE CONTRACT, OR IF NO CONTRACT PAYMENTS ARE TO BE MADE, THE TEXAS LOTTERY WILL MAKE DEMAND OF PAYMENT FROM THE SUCCESSFUL PROPOSER OR SEEK RECOVERY AGAINST THE SUCCESSFUL PROPOSER'S PERFORMANCE BOND. THE INDEMNIFIED PARTIES, UPON GIVING NOTICE TO THE SUCCESSFUL PROPOSER, SHALL HAVE THE RIGHT IN GOOD FAITH TO PAY, SETTLE OR COMPROMISE, OR LITIGATE ANY CLAIM UNDER THE BELIEF THAT THE CLAIM IS WELL FOUNDED, WHETHER IT IS OR NOT, WITHOUT THE CONSENT OR APPROVAL OF THE SUCCESSFUL PROPOSER. THE TEXAS LOTTERY HAS SOLE DISCRETION AS TO THE CHOICE AND SELECTION OF ANY ATTORNEY WHO MAY REPRESENT THE TEXAS LOTTERY. TO THE EXTENT THAT THE SUCCESSFUL PROPOSER MAKES ANY PAYMENTS TO OR ON BEHALF OF THE INDEMNIFIED PARTIES UNDER THE CONTRACT, AND TO THE EXTENT PERMISSIBLE BY LAW, THE SUCCESSFUL PROPOSER SHALL BE FULLY SUBROGATED TO ALL RIGHTS AND CLAIMS OF THE INDEMNIFIED PARTIES IN CONNECTION THEREWITH. IN ANY EVENT, THE INDEMNIFIED PARTIES SHALL PROVIDE REASONABLE NOTICE TO THE SUCCESSFUL PROPOSER OF ANY CLAIM KNOWN TO THE INDEMNIFIED PARTIES TO ARISE OUT OF THE CONTRACT.**



### **3.30 INSURANCE**

- 3.30.1 All required insurance must be issued by companies or financial institutions which are financially rated Excellent or better by A.M. Best Company and duly licensed, admitted, and authorized to do business in Texas by the Texas Department of Insurance.
- 3.30.2 Each insurance policy, except those for crime insurance, workers' compensation, employer's liability and professional liability, must name the Texas Lottery (and its officers, agents and employees) as an additional insured on the original policy and all renewals or replacements.
- 3.30.3 Each insurance policy except for crime insurance must include a waiver of subrogation in favor of the Texas Lottery, its officers, and employees for any and all insured losses, including bodily injury (including death) and property damage.
- 3.30.4 The insurance shall be evidenced by delivery to the Texas Lottery of certificates of insurance executed by the insurer or its authorized agency stating coverage, limits, expiration dates, and compliance with all applicable required provisions. Upon request, the Texas Lottery shall be entitled to receive, without expense, certified copies of the policies and all endorsements. Except as otherwise expressly provided herein, required coverage must remain in full force and effect throughout the term of the Contract and any extensions thereof, and provide adequate coverage for incidents discovered after termination of the Contract. Insurance coverage shall not be canceled, non-renewed or materially changed except after thirty (30) Days' notice by certified mail to the Texas Lottery.
- 3.30.5 The Successful Proposer must submit original certificates of insurance for each required insurance contract, and any renewals thereof, within fifteen (15) Days after Contract execution. Renewal certificates shall be submitted prior to or within fifteen (15) Days after expiration of the existing policy.

### **3.31 SELF INSURANCE**

The Successful Proposer may not elect to provide entirely or in part for the insurance protections described in this RFP through self-insurance. A deductible provision contained in an insurance policy that meets the requirements of this RFP is not considered as self-insurance unless the deductible amount exceeds five percent (5%) of the face amount of the insurance policy.

### **3.32 COMMERCIAL GENERAL LIABILITY INSURANCE**

The Successful Proposer must maintain general liability insurance coverage with limits of not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) aggregate, two million dollars (\$2,000,000) products/completed operations aggregate, one million dollars (\$1,000,000) personal and advertising injury, fifty thousand dollars (\$50,000) damage to premises rented to you, and five thousand dollars (\$5000) medical expense each person.



### **3.33 WORKERS' COMPENSATION & EMPLOYER'S LIABILITY INSURANCE**

The Successful Proposer must maintain Workers' Compensation insurance coverage in accordance with statutory limits, and Employer's Liability insurance coverage with minimum limits for bodily injury:

- (a) \$1,000,000 per each accident;
- (b) by disease, \$1,000,000 per employee; and
- (c) by disease, policy limit \$1,000,000.

Coverage must include a waiver of subrogation in favor of the Texas Lottery Commission, its officers and employees.

### **3.34 PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS) INSURANCE**

The Successful Proposer must maintain professional liability (including errors and omissions) insurance coverage including but not limited to loss due to any equipment error, machine error, system down time, communication problems or errors, and any error or omission caused by the Successful Proposer, its officers, employees, agents, or Subcontractors of the Successful Proposer regardless of negligence, with minimum limits of one million dollars (\$1,000,000) per occurrence, to be in full force and effect during the term of the Contract, including any extension thereof and one year thereafter. Coverage must indemnify the Texas Lottery for direct loss due to errors and omissions caused by the Successful Proposer, its officers, employees, agents, or Subcontractors of the Successful Proposer regardless of negligence.

### **3.35 PROPERTY INSURANCE**

The Successful Proposer must maintain All Risk insurance on all furniture, fixtures, computer and communications equipment used in operating and supporting the Successful Proposer's operation in an amount equal to or greater than the actual replacement cost thereof. Coverage must include coverage against fire, theft, collision, flood, etc. The Texas Lottery will not be responsible for insuring any equipment or facilities included in or associated with the Successful Proposer's operations.

### **3.36 CRIME INSURANCE**

The Successful Proposer must maintain crime insurance with a limit of not less than one million dollars (\$1,000,000) protecting the Texas Lottery against loss of property (including money, securities and Texas Lottery tickets) by robbery, burglary, or theft, or the loss of money, securities or Texas Lottery tickets because of destruction or disappearance and employee dishonesty. This policy shall cover loss of property to the Texas Lottery due to any fraudulent or dishonest act on the part of the officers and/or employees of the Successful Proposer and (through insurance carried by Subcontractors)



officers and/or employees of any Subcontractors. Policy(ies) must be endorsed to include third party property.

### **3.37 PERFORMANCE BOND**

- 3.37.1 The Successful Proposer shall provide an original performance bond (as shown in Attachment F attached hereto and incorporated for all purposes) in the amount of one million dollars (\$1,000,000) within fifteen (15) Days of execution of the Contract. Failure to have and keep a bond in place shall constitute a breach of the Contract.
- 3.37.2 All required bonds must be issued by companies or financial institutions which are financially rated Excellent or better by A.M. Best Company and duly licensed, admitted, and authorized to do business in Texas by the Texas Department of Insurance. The Texas Lottery shall be named as the obligee in each required bond.
- 3.37.3 The bond must be maintained in full force and effect for the initial term and any renewal term of the Contract. The bond shall be forfeited to the Texas Lottery if the Successful Proposer fails to perform as required by the Contract, pay sanctions or liquidated damages, or indemnify the Texas Lottery. Any alterations to the bond language as shown in Attachment F must be approved in advance by the Texas Lottery.

### **3.38 DISCLOSURE OF LITIGATION**

- 3.38.1 The Proposer must include in its Proposal a complete disclosure of any material civil or criminal litigation or indictment either threatened or pending involving the Proposer. "Threatened litigation" as used herein shall include governmental investigations and civil investigative demands. "Litigation" as used herein shall include administrative enforcement actions brought by governmental agencies. The Proposer must also disclose any material litigation threatened or pending involving Subcontractors, consultants, and/or lobbyists. For purposes of this section, "material" refers, but is not limited, to any action or pending action that a reasonable person knowledgeable in the gaming industry would consider relevant to any gaming operation or any development such a person would want to be aware of in order to stay fully apprised of the total mix of information relevant to the gaming industry and its operations, together with any litigation threatened or pending that may result in a substantial change in the Proposer's financial condition, as described in Section 4.6.
- 3.38.2 The Successful Proposer shall be required to file with the Texas Lottery comprehensive monthly reports regarding all threatened or pending litigation involving the Successful Proposer's Texas operations and all threatened or pending litigation that may be considered material to the overall operations of the Successful Proposer.

### **3.39 CHANGES IN OWNERSHIP**

During the term of the Contract or any extension or renewal thereof, the Successful Proposer shall notify the Texas Lottery in writing of any substantial change in the



ownership or control of the Successful Proposer as soon as possible, but no later than fifteen (15) Days after its occurrence.

### **3.40 FORCE MAJEURE / DELAY OF PERFORMANCE**

- 3.40.1 Except as otherwise provided, neither the Successful Proposer nor the Texas Lottery shall be liable to the other for any delay in, or failure of performance of, any covenant contained herein caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance in the exercise of reasonable diligence until after the causes of delay or failure have been removed. For purposes of this RFP and the Contract, "force majeure" is defined as "an act of God or any other cause of like kind not reasonably within a party's control and which, by the exercise of due diligence of such party, could not have been prevented or is unable to be overcome." The Successful Proposer must inform the Texas Lottery in writing within three (3) Days of the existence of any such force majeure or otherwise waives this right as a defense.
- 3.40.2 The Successful Proposer shall immediately upon discovery notify the Executive Director in writing of any delays in performance regardless of responsibility, fault or negligence. If the Successful Proposer contends that the delay is the responsibility, fault or negligence of Texas Lottery staff, the Successful Proposer must provide written notice within three (3) Days of the discovery, and to the extent possible, identify the event or individual responsible so that the Executive Director may take appropriate action to remedy the situation. Failure to provide such notice to the Executive Director as required in this section shall constitute a waiver of the Successful Proposer's right to assert the Texas Lottery's action/inaction as a defense.

### **3.41 TAXES, FEES AND ASSESSMENTS**

- 3.41.1 The Texas Lottery shall have no responsibility whatsoever for the payment of any federal, state or local taxes which become payable by the Successful Proposer or its Subcontractors, or their agents, officers or employees. The Successful Proposer shall pay and discharge when due all such taxes, license fees, levies, and other obligations or charges of every nature.
- 3.41.2 The Successful Proposer shall be responsible for payment of all taxes attributable to the Contract and any and all such taxes shall be identified under the Successful Proposer's federal tax identification number. The Successful Proposer shall pay all federal, state and local taxes of any kind, including without limitation income, franchise, ad valorem personal property, sales, use, lease, payroll, consumption, distribution and storage taxes, for the goods, services and systems relating thereto provided by the Successful Proposer, whether or not such taxes are in effect as of the date the Contract is signed or scheduled to go into effect, or become effective during the initial Contract term and any and all renewal terms, if any.



### **3.42 NEWS RELEASES**

The Successful Proposer shall not issue any news releases or publish information to the public pertaining to this procurement process or the performance of the Contract without prior written approval of the Texas Lottery. For any required disclosure or any public release of information of any kind, including a non-required disclosure, that is under a deadline imposed by any statutory or regulatory authority, the Successful Proposer shall seek approval from the Texas Lottery no less than two (2) Working Days prior to the deadline for the release of the information. In any case in which a deadline for the release of information exists, approval of the release by the Texas Lottery shall neither be construed as an endorsement of the release, as assent to the content of the release, as an indication of the accuracy of the information in the release, nor as any admission of any kind regarding any subject covered in the release.

### **3.43 ADVERTISING**

The Successful Proposer agrees not to use the Texas Lottery's name, logos, images, nor any data or results arising from this procurement process or the Contract as a part of any commercial advertising, or to promote the Successful Proposer in another jurisdiction's procurement process, without prior written approval by the Texas Lottery.

### **3.44 HIRING OF TEXAS LOTTERY PERSONNEL**

- 3.44.1 At all times following issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, prospective Proposers are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any Texas Lottery employee involved in the evaluation of Proposals, the Contract Award, or contract negotiations. A prospective Proposer making such an offer or proposition may be disqualified from further consideration.
- 3.44.2 At all times following the issuance of this RFP and ending with either the award of a Contract or the rejection of all Proposals, Proposers shall not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Texas Lottery. During the term of the Contract, the Successful Proposer shall not engage the services of any State of Texas employee while such person remains employed by the State without the written consent of the Lottery.
- 3.44.3 Pursuant to Section 572.069 of the TEX. GOV'T CODE ANN., the Successful Proposer certifies that it has not employed and will not employ a former state officer or employee of the Texas Lottery who participated in a procurement or contract negotiation for the Texas Lottery involving the Successful Proposer before the second anniversary of the date the contract was signed or the procurement was terminated or withdrawn.



### **3.45 HIRING OF LOBBYIST, CONSULTANT AND/OR ADVISOR; SUPPLEMENTAL INFORMATION**

The Proposer shall list the names, addresses and telephone numbers for all lobbyists, consultants, and/or advisors who will perform services related to the Proposer's operations or interests in the State of Texas, pursuant to previously executed contracts, or during the three (3) years prior to the issuance of the RFP, who have performed services related to the Proposer's operations or interests in the State of Texas for the Proposer or any Subcontractors of the Proposer. The Proposer shall immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.

### **3.46 NOTICES**

The Proposer shall indicate in its Proposal the name and address of the person to whom any notices shall be given. Notices to the Texas Lottery shall be made by personal delivery or by certified (or registered) mail return receipt requested to the Texas Lottery at the address below unless the Proposer is notified in writing by the Texas Lottery of any change:

Texas Lottery Commission  
Attention: Contracts Administration  
P.O. Box 16630  
Austin, Texas 78761-6630  
Fax (512) 344-5058  
Contracts@lottery.state.tx.us

### **3.47 NON-DISCLOSURE**

The Successful Proposer shall maintain as confidential, and shall not disclose to third parties without the Texas Lottery's prior written consent, any Texas Lottery information including but not limited to the Texas Lottery's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.

### **3.48 USUFRUCT**

If, for any reason other than breach of contract by the Texas Lottery, the Successful Proposer should lose its ability to service the Contract, the Texas Lottery shall acquire a usufruct in all contractual items owned by the Successful Proposer in conjunction with the Contract and which are necessary to provide such services. Said usufruct shall be limited to the right of the Texas Lottery to possess and make use of such contractual items solely for the use and benefit of the Texas Lottery in operating, maintaining, altering, replacing and improving the programs and systems being used by the Texas Lottery under the Contract. Such usufruct shall be limited in time to the duration of the Contract and any extension thereof, and in scope for programs, systems, and other items being used by the Texas Lottery under the Contract.



### 3.49 TICKET PURCHASE

- 3.49.1 In accordance with TEX. GOV'T CODE ANN. § 466.254 (Purchase of Ticket by or Payment of Prize to Certain Persons), no member, officer or employee of the Successful Proposer directly involved in selling or leasing the goods or performing the services that are the subject of the Contract shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. No spouse, child, brother, sister, or parent of such member, officer or employee who resides in the same household in the principal place of residence of such member, officer or employee (collectively, "Family Members"), shall purchase a Texas Lottery ticket or be paid a prize in any Texas Lottery game. The Successful Proposer shall ensure that these statutory prohibitions are made known to each member, officer and employee of the Successful Proposer, prior to that person becoming involved in selling or leasing the goods or performing the services that are the subject of the Contract. The Successful Proposer shall require its members, officers and employees to make the statutory prohibition known to Family Members. The Successful Proposer shall promptly notify the Texas Lottery of any violation of TEX. GOV'T CODE ANN. § 466.254.
- 3.49.2 TLC considers "directly involved" to mean, by way of illustration only, responsible for and/or actively participating in (1) Contract negotiations (including Contract signatories); (2) Contract administration (e.g., regular or direct contact with TLC staff); or (3) Contract performance (including assigned project/team leaders and members and anyone else who oversees or performs the work or provides the services). Again, by way of illustration, support staff (such as clerical, accounting or delivery employees) are not considered to be "directly involved" unless they also serve in the roles listed above for "directly involved" employees.

### 3.50 LIQUIDATED DAMAGES

- 3.50.1 *General.* It is agreed by the Texas Lottery and the Successful Proposer that:
- (1) If the Successful Proposer does not provide or perform the requirements referred to or listed in this RFP or fulfill the obligations of the Contract, damage to the Texas Lottery will result;
  - (2) establishing the precise measure of damages in the event of default by the Successful Proposer may be (i) costly, (ii) time consuming, or (iii) difficult or impossible to calculate;
  - (3) the liquidated damage assessments contained herein represent a good faith effort to quantify the damages that could reasonably be anticipated at the time of execution of the Contract;
  - (4) the damages set forth herein are just and reasonable;
  - (5) nothing contained in this section shall be construed as relieving the Successful Proposer from performing all Contract requirements whether or not said requirements are set forth herein; and
  - (6) the Texas Lottery may, therefore, in its sole discretion, deduct damages from the compensation otherwise due to the Successful Proposer. All assessments of damages shall be within the sole discretion of the Texas Lottery.



- 3.50.2 ***Liquidated Damages Assessment.*** Once the Texas Lottery has determined that liquidated damages are to be assessed, the Executive Director or Executive Director's designee shall notify the Successful Proposer of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of damage and is not a condition precedent thereto. The Texas Lottery will withhold liquidated damages from payments to the Successful Proposer, or, if no payments have been made, the Texas Lottery will make demand of payment of liquidated damages. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the thirty (30) day period, the Texas Lottery may make a claim for payment against the performance bond, with or without notice to the Successful Proposer.
- 3.50.3 ***Failure to Assess Liquidated Damages.*** The failure of the Texas Lottery to assess liquidated damages in any instance where the Texas Lottery is entitled to liquidated damages pursuant to the terms of this RFP or Contract shall not constitute waiver in any fashion of the Texas Lottery's rights to assessment of liquidated damages.
- 3.50.4 ***Severability of Individual Liquidated Damages Clauses.*** If any portion of this liquidated damages provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.
- 3.50.5 ***Failure to Permit Examination, Produce Requested/Required Records or Information, or Provide an Answer.*** Unless otherwise specified in this RFP or any Contract resulting therefrom, the Successful Proposer must permit an examination, produce requested records or information, or provide an answer in response to a Texas Lottery inquiry within five (5) business days. Failure to respond before the deadline may result in the assessment of liquidated damages in the amount of one hundred dollars (\$100) per Day for each Day the examination is not permitted, the information or records are not produced or the answer is not provided.
- 3.50.6 ***Failure to Meet Production and/or Media Deadlines.*** The failure of the Successful Proposer to meet production and/or media deadlines and to adhere to fixed campaign timelines or other events under the Contract may result in the assessment of liquidated damages in the amount of one thousand dollars (\$1,000) for each Day of delay, or any part thereof.

### **3.51 SANCTIONS AND REMEDIES SCHEDULE**

- 3.51.1 ***General.*** Section 2261.101 of the TEX. GOV'T CODE ANN. requires that all state contracts contain a remedies schedule, a graduated sanctions schedule, or both. Pursuant to that statutory provision, sanctions and remedies will apply for the incidents specified in this section. The sanctions and remedies will be referred to as "sanctions."
- 3.51.2 ***Assessment of Sanctions.*** Once the Texas Lottery has determined that sanctions are to be assessed, the Executive Director or Executive Director's designee may notify the Successful Proposer of the assessment(s). Failure to notify does not impact the Texas Lottery's assessment of sanctions and is not a condition precedent thereto. The Texas Lottery will withhold sanctions from payments to the Successful Proposer, or, if no



payments are to be made, the Texas Lottery will make demand of payment of sanctions. The Successful Proposer must make payment within thirty (30) Days of the Texas Lottery's demand. In the event the Successful Proposer fails to pay within the thirty (30) day period, the Texas Lottery may make a claim for payment against the performance bond, with or without notice to the Successful Proposer.

- 3.51.3 ***Failure to Assess Sanctions.*** The failure of the Texas Lottery to assess sanctions in any instance where the Texas Lottery is entitled to sanctions pursuant to the terms of this RFP or the Contract shall not constitute waiver in any fashion of the Texas Lottery's rights to assess sanctions.
- 3.51.4 ***Severability of Individual Sanctions Clauses.*** If any portion of this sanctions provision is determined to be unenforceable, the other portions of this provision shall remain in full force and effect.
- 3.51.5 ***Failure to Disclose Litigation.*** The failure of the Successful Proposer to disclose litigation as required by section 3.38 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.51.6 ***Failure to Obtain Prior Written Approval before Issuing News Release.*** The failure of the Successful Proposer to comply with RFP Section 3.42 regarding the issuance of news releases may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.51.7 ***Purchase of Texas Lottery Tickets.*** The failure of the Successful Proposer to comply with RFP Section 3.49 regarding the purchase of Texas Lottery tickets may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident.
- 3.51.8 ***Failure to Comply with the RFP Code of Conduct Requirements and/or Report Significant Incidents and Anomalies.*** The failure of the Successful Proposer to comply with the code of conduct requirements in Section 3.61 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident. The failure of the Successful Proposer to report all significant incidents and anomalies to the Texas Lottery as required by Section 3.63 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per Day for each Day not reported.
- 3.51.9 ***Failure to Notify the Texas Lottery of a Change of Ownership or Control or Change in Financial Condition.*** The failure of the Successful Proposer to notify the Texas Lottery of a change of ownership or control or change in financial condition as required by RFP Sections 3.39 and 4.5 may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.51.10 ***Unauthorized Disclosure.*** The failure of the Successful Proposer to comply with the non-disclosure requirement in Section 3.47 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident.



- 3.51.11 ***Failure to Provide Written Notification of Staffing Changes Timely.*** The failure of the Successful Proposer to provide written notification of staffing changes as required by RFP section 3.11 may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per Day for each Day the written notification is not received.
- 3.51.12 ***Failure to Notify the Texas Lottery of changes in Lobbyist Information.*** The failure of the Successful Proposer to inform the Texas Lottery of any change of lobbyist information as required by RFP section 3.45 may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per Day for each Day that the filing is not provided.
- 3.51.13 ***Failure to Cooperate with and/or Produce Records or Information as part of Background Investigation.*** The failure of the Successful Proposer to cooperate with and/or produce records or information as part of a background investigation conducted pursuant to section 4.6 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per Day for each Day the records/information are not produced or answers are not provided.
- 3.51.14 ***Failure to Provide Annual Advertising Plan Timely.*** The failure of the Successful Proposer to provide an annual advertising plan as required by Section 7.3 may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident, plus five hundred dollars (\$500) per Day for each Day after the due date until the plan(s) is provided by the Successful Proposer and accepted by the Texas Lottery.
- 3.51.15 ***Failure to Provide Reports Required under RFP Section 7.5 Timely.*** The failure of the Successful Proposer to provide reports as required by Section 7.5 may result in the Successful Proposer being assessed sanctions in the amount of five hundred dollars (\$500) per incident, plus one hundred dollars (\$100) per Day for each Day after the due date until the report(s) is provided by the Successful Proposer and accepted by the Texas Lottery.
- 3.51.16 ***Unauthorized Release of Media Materials.*** The unauthorized release of media materials without the Texas Lottery's prior written approval may result in the Successful Proposer being assessed sanctions in the amount of ten thousand dollars (\$10,000) per incident.
- 3.51.17 ***Missing/Incomplete Intellectual Property Search.*** The failure of the Successful Proposer to adequately conduct an intellectual property search as required by Section 3.25 may result in the Successful Proposer being assessed sanctions in an amount equal to the cost of the Works (whether finished or in production stages) plus any additional expenses associated with expediting the production of replacement Works. The foregoing is in addition to and shall not supplant the other rights and remedies accorded to TLC, or the obligations of the Successful Proposer in the event of a Claim.

### **3.52 DISPUTE RESOLUTION**

The dispute resolution process provided for in TEX. GOV'T CODE ANN., ch. 2260, and 16 TAC Ch. 403 must be used by the Successful Proposer to attempt to resolve any disputes brought by the Successful Proposer arising under this Contract.



### 3.53 CERTIFICATIONS

- 3.53.1 Pursuant to TEX. GOV'T CODE ANN. § 466.103, the Executive Director may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under TEX. GOV'T CODE ANN. § 466.155. All Proposers must read and be familiar with TEX. GOV'T CODE ANN. § 466.155, attached hereto as Attachment D. All Proposals shall include a completed Background Information Certification Form, attached hereto as Attachment D-1, which certifies that the Proposer has reviewed TEX. GOV'T CODE ANN. § 466.155 and neither the Proposer nor any of the following persons would be denied a license as a sales agent pursuant to said section: (a) Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Proposer Principals); or (b) any spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Proposer or any of the Proposer Principals.
- 3.53.2 Under Section 231.006 of the TEX. FAM. CODE ANN., the Proposer certifies that the individual or business entity named in the Proposal or Contract is not ineligible to receive the specified grant, loan or payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate. Furthermore, any Proposer subject to Section 231.006 must include names and social security numbers of each person with at least 25% ownership of the business entity submitting the Proposal. This information must be provided prior to Contract Award.
- 3.53.3 Under § 2261.053 of the TEX. GOV'T CODE ANN., a state agency may not accept a bid or award a contract that includes proposed financial participation by a person who, during the five-year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. In submitting a Proposal under this RFP, the Proposer certifies as follows: "Under Section 2261.053 of the Texas Government Code, the contractor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."
- 3.53.4 The Proposer certifies that: (a) the Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted Proposal; and (b) neither the Proposer nor the firm, corporation, partnership, or institution represented by the Proposer, nor anyone acting for such firm, corporation, partnership, or institution has violated the antitrust laws of the State of Texas (TEX. BUS.



& COMM. CODE ANN. Sec. 15.01, et seq.), or the antitrust laws of the United States (15 U.S.C.A. Section 1, et seq.), nor communicated directly or indirectly the submitted Proposal to any competitor or any other person engaged in such line of business.

3.53.5 The Proposer certifies that it is in compliance with TEX. GOV'T CODE ANN., Title 6, Subtitle B, Section 669.003, relating to contracting with the executive head of a state agency. If Section 669.003 applies, the Proposer will complete the following information in order for the Proposal to be evaluated:

Name of Former Executive  
 Name of State Agency  
 Date of Separation from State Agency  
 Position with Proposer  
 Date of Employment with Proposer

3.53.6 By signing this Proposal, the Proposer certifies that if a Texas address is shown as the address of the Proposer, the Proposer qualifies as a Texas Resident Bidder as defined in TEX. ADMIN. CODE, Title 34, Part 1, Chapter 20.

3.53.7 The Texas Lottery is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal Government's System for Award Management (SAM, <https://www.sam.gov/>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

3.53.8 Pursuant to Section 2155.004 of the TEX. GOV'T CODE ANN., the Proposer has not received compensation from the Texas Lottery for participating in the preparation of the specifications for this RFP and certifies as follows: "Under Section 2155.004, Government Code, the vendor certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate."

3.53.9 Pursuant to Section 2252.907 of the TEX. GOV'T CODE ANN., the Successful Proposer is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

3.53.10 Pursuant to Section 2270.002 of the TEX. GOV'T CODE ANN., the Executive Director may not award a contract for goods or services unless the contract contains a written verification from the Proposer/Bidder that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. By signing and submitting a Proposal, the Proposer certifies that it does not boycott Israel and will not boycott Israel during the term of the Contract.

3.53.11 Under § 2252.152 of the TEX. GOV'T CODE ANN., a state agency may not award a contract to a company engaged in business with Iran, Sudan, or known to have contracts with or



provide supplies or services to a foreign terrorist organization. The Proposer certifies it is not ineligible to receive a state contract under § 2252.152.

### **3.54 PREFERENCES**

Any bidder or Proposer entitled to a preference(s) under Texas law shall claim the preference(s) in its Proposal.

### **3.55 DECEPTIVE TRADE PRACTICES; UNFAIR BUSINESS PRACTICES**

The Successful Proposer represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under TEX. BUS. & COM. CODE ANN., Chapter 17, or allegations of any unfair business practice in any administrative hearing or lawsuit and that the Successful Proposer has not been found to be liable for such practices in such proceedings. The Successful Proposer certifies that it has no officers who have served as officers of other entities that have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or lawsuit and that such officers have not been found to be liable for such practices in such proceedings.

### **3.56 IMMIGRATION**

The Successful Proposer represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986, the Immigration Act of 1990 and the Illegal Immigrant Reform and Immigrant Responsibility Act of 1996 regarding employment of any individual who will perform labor or services under the Contract.

### **3.57 ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY STANDARDS, AS REQUIRED BY 1 TAC CHAPTERS 206 AND 213 (APPLICABLE TO STATE AGENCY AND INSTITUTION OF HIGHER EDUCATION PURCHASES ONLY).**

- 3.57.1 Effective September 1, 2006, state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapters 206 and 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.
- 3.57.2 Upon request, but not later than thirty (30) calendar days after request, the Successful Proposer shall provide TLC with a completed Voluntary Product Accessibility Template (VPAT) of the specified product or a URL to the VPAT for reviewing compliance with the State Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act).



### **3.58 FALSE STATEMENTS; BREACH OF REPRESENTATIONS**

By submitting a Proposal, the Proposer makes all the representations, warranties, guarantees, certifications and affirmations included in its Proposal. If a Proposer signed its Proposal with a false statement or is selected as the Apparent Successful Proposer and signs the Contract with a false statement, or it is subsequently determined that the Proposer has violated any of the representations, warranties, guarantees, certifications or affirmations included in the RFP or the Contract, the Proposer shall be in default and if the determination is made before Contract Award, the Texas Lottery may reject the Proposal or if the determination is made after Contract Award, the Texas Lottery may terminate the Contract for cause and pursue all other remedies available to the Texas Lottery under the RFP, the Contract and applicable law.

### **3.59 LIMITATION ON AUTHORITY; NO OTHER OBLIGATIONS**

The Successful Proposer shall have no authority to act for or on behalf of the Texas Lottery or the State of Texas except as expressly provided for in this RFP or the Contract. The Successful Proposer is not authorized to sign any contract or subcontracts as the Texas Lottery's agent; any such contract or subcontract is invalid and cannot be enforced against the Texas Lottery. The Successful Proposer may not incur any debts, obligations, expenses or liabilities of any kind on behalf of the State of Texas or the Texas Lottery.

### **3.60 PROPOSER ASSIGNMENT**

The Successful Proposer hereby assigns to the Texas Lottery any and all claims for overcharges associated with the Contract arising under the antitrust laws of the United States, 15 U.S.C.A. Section 1, et seq., and the antitrust laws of the State of Texas, TEX. BUS. & COMM. CODE ANN. Sec. 15.01, et seq.

### **3.61 CODE OF CONDUCT**

The Texas Lottery is an extremely sensitive enterprise because its success depends on maintaining the public trust by protecting and ensuring the security of lottery products. The Texas Lottery incorporates the highest standards of security and integrity in the management and sale of entertaining lottery products, and lottery vendors are held to the same standards. Therefore, it is essential that operation of the Texas Lottery, and the operation of other enterprises which would be linked to it in the public mind, avoid not only impropriety, but also the appearance of impropriety. Because of this, the Successful Proposer shall:

- (a) Offer goods and services only of the highest quality and standards.
- (b) Use its best efforts to prevent the industry from becoming embroiled in unfavorable publicity.



- (c) Make presentations in a responsible manner and when it is felt necessary to point out the superiority of its goods or services over those of its competitors, do so in such a manner as to avoid unfavorable publicity for the industry.
- (d) Avoid activities, operations, and practices that could be interpreted as improper and cause embarrassment to the Texas Lottery and/or to the industry.
- (e) Report security problems or potential security problems with any services provided pursuant to this RFP immediately and only to the Texas Lottery.
- (f) Otherwise comply with the State Lottery Act (TEX. GOV'T CODE ANN., Ch. 466) and Texas Lottery rules, procedures and policies.
- (g) Provide best practices related to security and integrity standards within the industry.

### **3.62 CONTACT WITH TEXAS LOTTERY COMMISSION**

- 3.62.1 Employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer may not offer or give a gift to a Texas Lottery employee. For purposes of this section, "gift" has the meaning as defined in TEX. GOV'T CODE ANN. § 467.001(4) and as may be subsequently changed or amended by acts of the Texas Legislature.
- 3.62.2 Employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer should not engage in nonprofessional socialization (socialization outside of a work context) with a Texas Lottery employee. There may be circumstances, however, in which nonprofessional socialization is acceptable, for example, because of family relationships, common acquaintances, or common outside activities. The restrictions on nonprofessional socialization are not meant to apply to unplanned, incidental social contact. In such circumstances, employees, Subcontractors and agents of all prospective Proposers and employees, Subcontractors and agents of the Successful Proposer should not discuss Texas Lottery business with any Texas Lottery employee.
- 3.62.3 Professional socialization at activities such as industry trade conferences and site visits is permitted.

### **3.63 INCIDENTS AND ANOMALIES**

The Successful Proposer shall report immediately all significant incidents and anomalies to the Texas Lottery, followed by a written report to be submitted within one workday of the incident or anomaly. At a minimum, incident and anomaly reporting shall include a description of the incident, its cause, and corrective action taken. For purposes of this section, "significant" incidents include, by way of illustration only, any occurrence that affects the Texas Lottery, lottery retailers, or players, and deviation from established procedures and those items where sanctions or liquidated damages are applicable.



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### **3.64 U.S. DEPARTMENT OF HOMELAND SECURITY'S E-VERIFY SYSTEM**

By entering into this Contract, the Successful Proposer certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons employed to perform duties within Texas, during the term of the Contract; and
2. All persons (including subcontractors) assigned by the Successful Proposer to perform work pursuant to the Contract, within the United States of America.

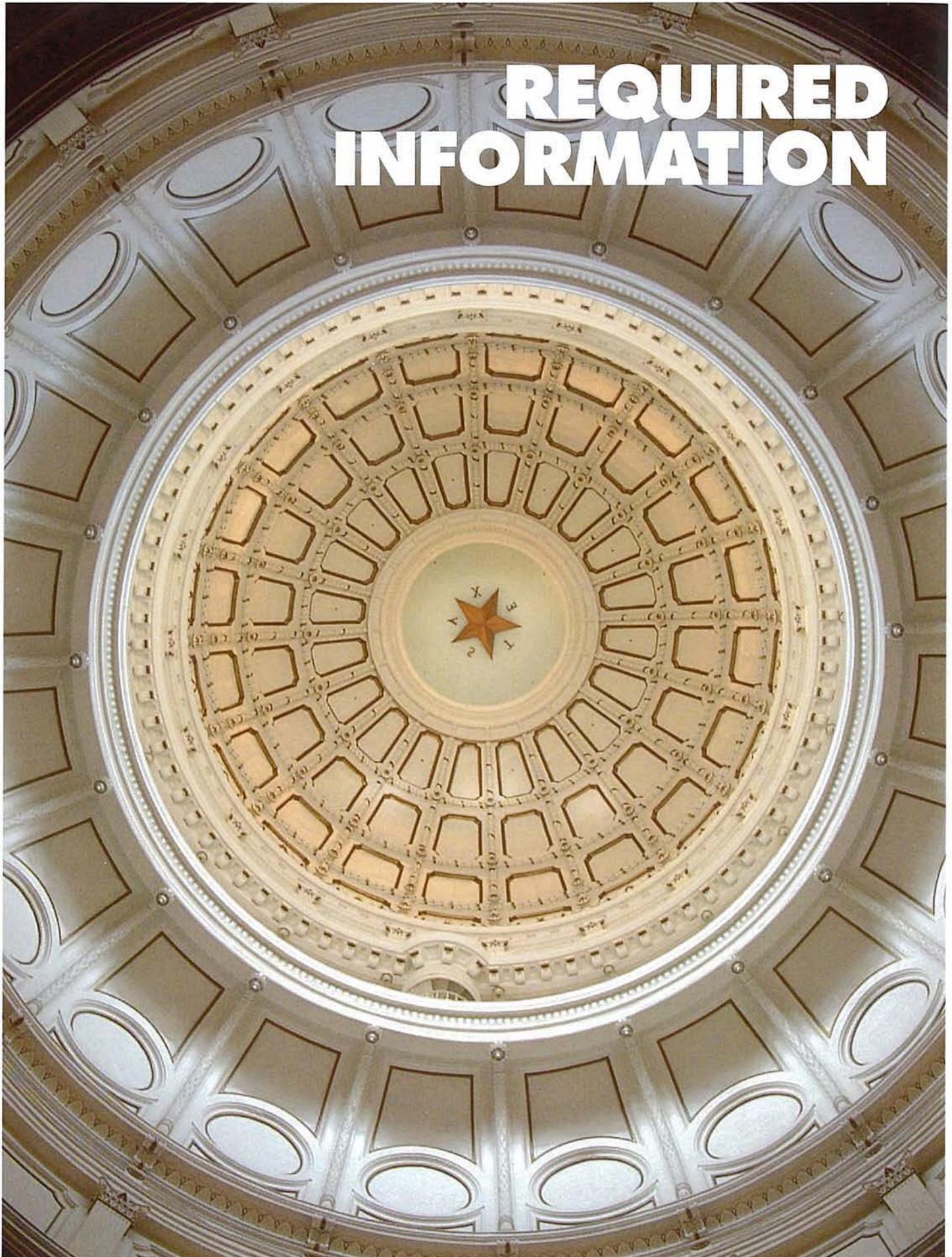
### **3.65 NON-EXCLUSIVE CONTRACT**

The Texas Lottery intends to enter into a non-exclusive contract with the Successful Proposer to provide the services described in this RFP and expressly reserves the right to engage other vendor(s) to perform similar services and/or to conduct such services itself.

### **3.66 SURVIVAL**

Provisions of this RFP which of their nature and effect are necessary to enable the Lottery to function normally and to meet all of its obligations shall survive any termination of the Contract. These provisions include, but are not limited to, all of the warranties and representations and any provision that by its terms provides for applicability beyond the end of any Contract period.

# REQUIRED INFORMATION



## 4.1 EXPERIENCE OF PROPOSER

4.1.1 Each Proposer should state why it believes it has the required experience to provide the goods and services required under this RFP. Proposers must demonstrate an understanding of Texas as a minority-majority State as well as the ability to effectively reach and speak to all Texans (ages 18+).

### **RICHARDS/LERMA**

Richards/Lerma is a full-service branding, creative, and digital agency with over 90 employees dedicated to crafting insightful, relevant LOUD & CLEAR® communications for a diverse, multicultural America and Texas. LOUD & CLEAR is our rallying cry. Sound strategy provides us with conviction to craft engaging creative that gets to the point and delivers results. It ensures that consumers don't have to be exposed to a message ten times for it to sink in. They understand and relate to it the first time.

We were founded nine years ago as a Hispanic-focused agency by Pete Lerma and Stan Richards of The Richards Group (the largest independent agency in the country with \$1.2 billion in billings), in response to the evolving U.S. demographic and cultural landscape. Over the years, Richards/Lerma has evolved to be the lead agency across all consumer segments (African-American, Asian, Hispanic, Non-Hispanic White) for clients such as MetroPCS, who recognized that minorities make up the majority of their customers and are influencing the mainstream.

### **What Makes Us Us**

- Like Texas, we are proudly independent. Our independence means we define our own priorities. And those priorities are to do great work, take care of our clients and take care of our people. We've found those priorities to be a fail-safe recipe for success. Unlike holding-company agencies, there are no pressures to squeeze our clients for more money or to lower expenses to the point where the work is compromised. Decisions about our agency and relationships are made in Dallas by our founders. This allows us to invest in client relationships, great work and a culture that attracts and retains the best talent. For you, it means a clear and simple relationship that gets things done. And done successfully. That seems to work nicely for our clients and our people.
- You will be in good company. We are world-class marketers and multicultural experts. The distinction is an important one. It shapes who we hire, how we think, how we work, and most importantly, the results we provide for our clients such as The Home Depot, MetroPCS, Dr Pepper, Anheuser-Bush InBev, Avocados from Mexico, Clamato, and we hope in the near future, the Texas Lottery.

- Richards/Lerma is a branding agency. We exist for one reason: to endear brands to people. Endearing a brand to its customers requires creativity that works – and works consistently – at every point of contact to drive sales. Our Spherical® branding process is a collaborative multiphase process consisting of primary and secondary research, stakeholder interviews and workshops with you. The result is a strongly defined Brand Vision, Brand Positioning, Brand Personality and Brand Affinity that builds conviction and consistent execution around a core brand idea.
- Retail is in our DNA. The Texas Lottery is a retail brand. We've worked with MetroPCS and The Home Depot for the last nine years to grow their business. We are used to working in highly competitive categories. Our job is to create breakthrough and engaging work that shapes the customers' perceptions. But we also have to drive them to the store, day after day, week after week and month after month. We know how to motivate people to action. Best of all for you, we know how to do it at the speed of retail. Everything we do is intended to build sales overnight and brands over time. And our results are measurable. Both MetroPCS and The Home Depot have outpaced the competition in growth.
- Our Omnicultural Approach. We believe the most effective ad campaigns are those that align with multicultural values, aspirations and passion points. They must be real, relevant and devoid of cultural stereotypes. Our Omnicultural Approach is about having one brand voice that is culturally fluent and customized to meet the unique needs of consumers. It ensures relevance in the communication without creating brand fragmentation.

With continued growth and presence in the U.S., multicultural groups are influencing the mainstream. Likewise, America, led by Texas and California, is redefining what it means to be ethnically diverse. This cross-pollination of culture and identity will continue to shape and change the face of Texas, and our marketing finger is continually on the pulse of this dynamic landscape.

Most agencies talk about acculturation models when targeting minorities. The reality is acculturation is not applicable to multicultural marketing anymore, and we demonstrated it with a research initiative in collaboration with the University of Texas at Austin. The vast majority of Hispanics (66%), along with 42% of Non-Hispanic Whites, 68% of Asians and 53% of African-Americans are Omnicultural. That is, they aspire to be culturally complex and embrace both cultures – their original one together with American culture and language. The consequence of this cultural phenomenon is the emergence of a cohesive mindset among all Omniculturals regardless of ethnicity.

Our Omnicultural approach provides the foundation for effectively engaging with a minority-majority population like that of Texas. Developing strategies and executions for a minority-majority audience is not new to us. We currently do it for MetroPCS, Dr Pepper, Bud Light Chelada and Clamato. Effective work must go beyond demographics and deliver on a mindset. Being in a minority-majority state shapes how Texans think, how we behave and how we interact.

To understand Texans, you need to decipher the story that the numbers are telling. Texas is one of four predominantly non-White States in the U.S. And in 2010, Houston became the most ethnically and racially diverse major metropolitan area in the country, surpassing New York City, with 43% of its population being Latino, 23% African-American and 6% Asian.<sup>1</sup> Other similar cities in Texas include Dallas/Fort Worth (50% multicultural), Austin (46% multicultural), Corpus Christi (67% multicultural), and San Antonio (64% multicultural), just to name a few.<sup>2</sup>

This fact is amazing on its own, but we have to dig deeper to better understand the bigger impact that a diverse population can have on all Texans. The majority of Texans, regardless of their ethnic origin, are what we defined with our research in collaboration with the University of Texas at Austin as Omnicultural. They are interacting with cultures different from their own on a daily basis. Curiosity about different walks of life is causing Texans to be more accepting and, in turn, makes them more open to integrating aspects of various cultures into their own. This allows for a combination of psychographic characteristics, personality traits and worldviews that are common among various cultures. Specifically, 61.2% of Texans ages 18+ share that mindset. This is why psychographics becomes crucial in accurately and effectively communicating with adult Texans.

With Texas being a minority-majority State, the term “minority” is essentially becoming obsolete, and the blending of cultures is transforming how people think and interact with each other and with brands. Our Omnicultural approach and focus on psychographic traits help us establish a connection rather than just delivering messages that are out of touch and unrelatable. What we know about the current and future demographics of Texas allows us to effectively and efficiently speak to general and ethnic markets. We look at an audience on an individual scale. What do people think? What drives them? What inspires them? Focusing on a person’s attitudes, perceptions, values and opinions creates a stronger bond between brand and consumer, something that simply cannot be achieved by strictly looking at demographics.

- We are a next generation agency. We disregard assumptions and stereotypes and are cognizant of the increasingly blurred lines between traditional demographics. We are committed to listening, researching, learning, understanding and adapting before we develop a strategic framework. We know that a brand’s consumers are more than a language and demographic. And because we seek to understand their mindsets, it opens up our possibilities to accomplish greater objectives with our brands. As mentioned above, last year we partnered with The University of Texas and invested to develop a nationally representative study on Millennials across all segments. The findings of that study (featured on [www.millennialsdeconstructed.com](http://www.millennialsdeconstructed.com)) provide a framework for all our Millennial-targeted efforts. This proprietary and ongoing effort ensures we are always a step ahead.
- We have digital roots. Richards/Lerma is rooted in digital. Before founding Richards/Lerma, Pete Lerma spent 12 years leading Click Here, the largest specialized discipline within The Richards Group. Not many Hispanic agencies have a founder who previously built a digital agency. This expertise has given us an advantage in connecting our clients’ brands with their multicultural audiences. Hispanics and multicultural consumers over-index on digital adoption, consumption and content creation. If brands want to truly engage this audience, they have to understand their digital behaviors and relate to them on the platforms where they live.

Our offices were designed to inspire digital experimentation and innovation. We created a lab where our team members, clients and partners could get hands-on with emerging technologies. As a result, digital is never an afterthought. In fact, it's often the channel that leads all others. This experimentation led to the creation of the first virtual reality test drive for the relaunch of Jeep Cherokee in which dealers, customers and influencers could experience all the new interior features.

We've also constructed multiple social media command centers where we monitor, plan and execute our clients' social media strategies. Which is important when we manage all social media work for Dr Pepper and MetroPCS as well as the Super Bowl work for Avocados From Mexico, which you will see in more detail under the Client Case Examples in Section 8.2. Our social media command centers allow us to monitor conversations and mine key insights during strategy development. For Clamato, this resulted in the brand being repositioned from a product Hispanic moms used as an ingredient in the kitchen to a product people craved as a mixer for Micheladas. Clamato has now successfully crossed over from a Hispanic-focused-only product to a mainstream one with double-digit growth.

- We understand the magnifying glass you operate under. The imperative for transparency in business is greater than ever. But you are not a regular business. You are the Texas Lottery. The need for accountability in everything you do is heightened. We are meticulous in this area. The transparency in our business practices is part of our culture for all of our clients. We have processes and procedures in place to ensure the accountability of our actions and every dollar spent. We are programmed that way. It starts with being at work and logging in no later than 8:29:59, so we are ready to service our clients at 8:30. We also do timesheets on a daily basis, so we always know where our time and your budget are being spent.
- Richards/Lerma is a reflection of Texas. We are Latino. We are American. Many of us were born in Texas, and true to the saying, the rest of us got here as fast as we could! We are white. We are Latino. We are black. We are English-dominant. We are Spanish-dominant. And we are everything in between. When a client walks into our offices, they find people from all walks of life from more than a dozen nationalities living and working in harmony. We believe that gives us a perspective that no other agency has – one that is critical for the Texas Lottery. We understand the minority-majority Texas. We are that minority-majority Texas.

## **Ro2 MEDIA**

Ro2 Media was founded to fill the need for a media agency with business-oriented roots. We believe media planning should always work toward business objectives. As obvious as that sounds, it often gets forgotten by media planners as they delve into the details of numbers and tactics. So, with an entrepreneurial spirit, we seized this opportunity. And today we successfully compete with larger agencies in our talent and passion.

We live and breathe the Texas market. Over the years, we have developed a sensitivity for identifying audiences in our State and unearthing their needs and habits. We know what consumers like and when and where they like to see it. We use every media tool at our disposal. And while statistics and numbers are important, we believe insights are also key for the best allocation of the right message at the right moment and in the right place. Our goal is to build media plans that truly connect with our consumers.

Our process allows us to include all the considerations that may affect the media recommendation and help us build the most efficient plans. Our first approach is the audience analysis to understand our consumers market by market, identify the best context for our message, learn their media habits and determine what vehicles most effectively reach them. We rely on research such as Simmons, MRI and Scarborough, but we also use Nielsen and its different tools for ratings, audiences and geographic clusters, among other data. In addition, we are in constant contact with local media partners and consider their input and local research.

As a second step, we develop a deep assessment of the markets and local media landscape, which allows us to better utilize the market conditions and understand the available options and potential to reach the desired target in each market.

In order to keep the focus of our plans, we define the media principles case by case. These customized media principles work as foundations for the whole media plan. Strategies, tactics and executions are defined in detail with a numeric analysis of the media delivery to the selected audience.

We also analyze the media plan as a whole, the potential results that our plan will bring to the business and the role of each component of the plan with specific KPIs (Key Performance Indicators). These are predefined by channel to guarantee each element works toward the overall goal. Flowcharts and budget and KPI recaps are continually monitored throughout the campaign to identify potential optimization and improve results.

For many years, our plans have brought success to big national brands as well as regional ones. We know the media landscape of the Texas markets, from big cities such as Dallas and Houston to the smaller markets and border markets.

For us, media is not an isolated discipline within an agency. We are convinced that the best media plans are those built in conjunction with the planning and creative teams. Therefore, our integration starts from the very beginning in the planning stage.

We also bring innovation. It is part of our DNA. We are at the forefront of new technologies and tools available for reaching consumers. With the current digital media dynamics in mind, our team is always looking for new, effective ways to deliver our messages with a creative and impactful media approach.

We don't believe in media templates. Every single project is treated as unique, and the thinking and rationale are specific to the business goals and the situation. The Texas Lottery challenge is extremely exciting to us, because we are convinced we can bring media thinking and innovation to help reach every goal set.

### **GDC MARKETING & IDEATION (GDC)**

#### **Media Buying and Experiential**

GDC Marketing & Ideation is a full-service, HUB-certified marketing, advertising and public relations agency located in the heart of San Antonio, specializing in the general and Hispanic markets.

Founded 20 years ago, GDC has earned a reputation for innovative ideas and unparalleled strategy that all come together to achieve one simple yet powerful mission: Inspire Change. While it is just two simple words, this mission statement is at the heart of everything we do. We inspire change in ourselves, in our clients and in our community as a whole. And through our work with organizations such as the Texas Department of Transportation, Resolute Health and Texas CASA, we have lived our mission to take on community issues such as impaired driving (alcohol and drugs), access to healthcare and helping abused and neglected children.

#### **What Makes GDC Different**

- Highly research-focused with proprietary quantitative and qualitative research tools to determine what makes people act
- Proven background developing and executing experiential marketing efforts on a statewide scale
- Traditional and non-traditional media planning and buying experts

### **SOCIALISSIMA**

Socialisssima opened in 2016, but its people have more than 15 years of experience in advertising, experiential and social media in the U.S. and have worked on the Texas Lottery for eight years.

Big brand experience combined with a startup curiosity is what drives us to deliver ideas that fit consumer needs in multiple scenarios and environments. Leading the Texas Lottery team that developed all experiential and social media from 2012 until 2016 gives Norbi Zylberberg, Socialisssima's founder, the understanding to dive into the multiple consumer mindsets that interact with the Texas Lottery. Norbi was key on all veteran initiatives online and offline, proposed and developed the NBA, NASCAR and NFL partnerships and helped highlight the role of the Texas Lottery in education.

After one year of operations, the Socialisssima team experience grew by adding Cemex Global social media (managing all communications for a company with more than \$13.5 billion in sales, a presence in 100 countries and 41,000 employees) and The Epic School (online learning platform with more than 4,000 active students) as well as managing Calavera Beer social media and experiential events at SXSW 2017.

#### Sources

<sup>1</sup> Mejia, B. (2017, May 09). How Houston has become the most diverse place in America. Retrieved November 17, 2017, from <http://www.latimes.com/nation/la-na-houston-diversity-2017-htmstory.html>

<sup>2</sup> U.S. Census Bureau. (2015) Race and ethnicity in Dallas/Fort Worth, Austin, Corpus Christi, and San Antonio. Retrieved on November 17, 2017, from <https://statisticalatlas.com/United-States/Overview>

**4.1.2 Each Proposer shall provide descriptions for all engagements of comparable complexity and sensitivity to the requirements of this RFP that have been conducted within the past five (5) years. The descriptions shall be detailed and cover the contracts the Proposer and any subcontractors have had and all experience similar to this Contract, including but not limited to:**

- (a) Size of contract (including value).**
- (b) Reason for contract termination/expiration, if contract is no longer in effect.**
- (c) Types of services directly provided by the Proposer and whether the Proposer was the contractor or subcontractor.**
- (d) Term and type of contract, including effective dates.**
- (e) Any problems encountered.**

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

**Confidentiality Claimed**  
**§552.104/552.110**

4.1.3 The Proposer shall state whether or not any of the following have occurred during the last five (5) years:

(a) The Proposer has had a contract terminated, and if so, shall provide full details, including the other party's name, address and telephone number.

**FCA NORTH AMERICA (FIAT CHRYSLER AUTOMOBILES)**

Richards/Lerma was the U.S. Hispanic Agency of Record for FCA North America working on Ram Trucks from 2011 until 2015. During this time, we produced great work that engaged with Hispanics to move the brand forward and increase sales. Given our results in the U.S. Hispanic market, in 2014 the agency was selected as Agency of Record in Mexico to develop branding efforts for Jeep, Chrysler, Dodge, Ram Trucks/Commercial and Chrysler Corporate as well as support dealer communications.

Following a restructure in 2015, FCA North America made the decision to eliminate the role of a sole U.S. Hispanic Agency of Record in favor of multiple agencies working on a project-by-project basis, including campaign ideas. As an agency that believes in the power of speaking with one voice across all multiple touchpoints to endear brands to people, we were not comfortable being part of a process that would fragment communications and make us one of many agencies participating in the same project assignment. FCA North America's new agency model took effect in 2016, and there was no need to develop a new contract as the agency made the decision not to participate in the new agency model structure.

Our contract in the U.S. officially ended in 2015, but we proactively assisted FCA across several strategic business planning deliverables throughout the first quarter of 2016. While we no longer work with FCA in reaching the U.S. Hispanic market, Richards/Lerma maintains a positive working relationship with FCA and continues to be the Agency of Record in Mexico for Jeep, Chrysler, Dodge, RAM Trucks/Commercial and Chrysler Corporate as well as support dealer communication.

**Contact Info:**

Susan Huepenbecker  
Commodity Specialist, Chrysler Purchasing  
1000 Chrysler Dr.  
Auburn Hills, MI 48326-2766  
(248) 701-9284

(b) The Proposer has been assessed any penalties or liquidated damages under any existing or past contracts and if so, note the reason for and the amount of the penalty or liquidated damages for each incident.

We have not had any penalties or damages assessed.

(c) The Proposer was the subject of (i) any disciplinary action for substandard work and unethical practices or (ii) any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the Proposer to engage in any business, practice or activity.

We have not been the subject of any disciplinary action.

(d) The Proposer has been involved in any litigation related to contract performance.

We have not been involved in any litigation related to contract performance.

#### **4.2 PROPOSER REFERENCES**

A minimum of five (5) verifiable references must be provided that include contact person, name of company, phone and e-mail address. Proposers' references shall include references for which the Proposer has provided similar services as described in Part 7 of this RFP within the last five (5) years. The Texas Lottery reserves the right to verify all information in the Proposal submitted by the Proposer and seek other information it deems necessary to conduct a thorough review.

#### **RICHARDS/LERMA REFERENCES**

<b>Name/Title/Company</b>	<b>Address</b>	<b>Contact Information</b>
Regan Ebert Senior VP Marketing Dr Pepper Snapple Group Regan.Ebert@dpsg.com	5301 Legacy Drive Plano, TX 75204	(972) 673-6521
Shaun Nichols CMO LALA U.S. Shaun.nichols@grupolala.com	12400 Coit Rd Dallas, TX 75251	(469) 804-3850
Alvaro Luque President Avocados From Mexico Aluque@avocadosfrommexico.com	222 W. Las Colinas Blvd Suite 850 E Irving, TX 75039	(469) 930-5701
Ximena Cuevas Sr. Director Brand Marketing – Acquisition and Retention MetroPCS Ximena.cuevas@t-mobile.com	3625 132nd Ave SE 4th Floor Bellevue, WA 98006	(425) 383-4148

Melissa Brown Sr. Manager, Marketing The Home Depot Melissa_Brown@HomeDepot.com	2455 Paces Ferry Rd Suite C /16 Atlanta GA 30339	(770) 384-2309
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**Ro2 MEDIA REFERENCES**

Alvaro Luque President Avocados From Mexico aluque@avocadosfrommexico.com	222 W. Las Colinas Blvd Suite 850E Irving, TX 75039	(469) 930-5700
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Ivonne Kinser Digital Marketing Director Avocados From Mexico ikinser@avocadosfrommexico.com	222 W. Las Colinas Blvd Suite 850E Irving, TX 75039	(214) 493-3568
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Armando Rodriguez Director, Hispanic Marketing Torchmark Corporation Axrodriguez@torchmarkcorp.com	3700 S. Stonebridge Drive McKinney, Texas 75070	(972) 569-4000
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Iker Otegui President Credito Real USA iker@crealusa.com	5454 La Sierra Dr Suite 202 Dallas, TX 75231	(469) 571-3606
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Mark Olson Conservation and Creative Manager Tarrant Regional Water District Mark.Olson@trwd.com	800 E Northside Dr Fort Worth, TX 76102	(817) 720-4344
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Dusti Groskreutz President Reunion Tower Operations Company, LLC dgroskreutz@reuniontower.com	300 Reunion Blvd East Dallas, TX 75207	(214) 712-7041
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**GDC REFERENCES**

Terry Pence Traffic Safety Section Director TxDOT terry.pence@txdot.gov	118 East Riverside Drive Austin, TX 78704	(512) 416-3167
Bryan Watson Campaign & Programs Manager TxDOT bryan.watson@txdot.gov	150 East Riverside Drive Austin, TX 78704	(512) 486-5911
Shalandra Rogers Traffic Safety Program Manager TxDOT Shalandra.rogers@txdot.gov	118 East Riverside Drive Austin, TX 78704	(512) 416-3271
Patti Tanner Communications Director Tenet Health (Baptist, Resolute and Valley Baptist) patti.tanner@baptisthealthsystem.com	215 E. Quincy Suite 200 San Antonio, TX 78215	(210) 875-0199

**SOCIALISSIMA REFERENCES**

Raquel García Vice President, Sales and Marketing Long Center for the Performing Arts rgarcia@thelongcenter.org	701 W Riverside Dr Austin, TX 78704	(512) 474-5664
Tela Mange Vice President, Communications Special Olympics Texas tmange@sotx.org	1804 Rutherford Ln Austin, TX 78754	(512) 835-9873
Felipe Viniegra President Chalupa Imports/Calavera Beer USA Felipe@chalupaimports.com	720 Bastrop Hwy. Suite 224 Austin, TX 78741	(914) 217-4169
April Davis Alejandro Vice President, Multicultural Center of Excellence Southern Glazer's Wine & Spirits April.Alejandro@sgws.com	8119 Exchange Dr Austin, TX 78754	(512) 919-1500

Gustavo Lancewicz  
President & CEO  
US Ophthalmic  
g.lancewicki@usophthalmic.com

9990 NW 14th Street  
Unit # 105  
Doral, FL 33172

(786) 621-0521

#### **4.3 CONTACT PERSON**

4.3.1 Each Proposer shall provide the name, address, telephone number, and email address of a person to contact concerning questions regarding its Proposal.

Salma Gottfried  
7007 Twin Hills Avenue, Suite 300  
Dallas, Texas 75231  
(214) 891-2946  
sgottfried@richardslerma.com  
Fax: (972) 391-4561

4.3.2 Each Proposer shall provide the name, address, telephone number, and email address of a person to contact (if different than the person identified in section 4.3.1) concerning the Contract.

Contact is same as above.

#### **4.4 CONFLICT OF INTEREST**

4.4.1 The Proposer must disclose any actual, potential or perceived conflict of interest relative to the performance of the requirements of this RFP. The Proposer must disclose any personal or business relationship of (a) itself; (b) any of its principals, officers, directors, investors, owners, partners, and employees (collectively, Proposer Personnel); (c) any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of residence of any Proposer Personnel; (d) any affiliate; or (e) any Subcontractor with (1) any employee or representative of the Texas Lottery (including the Texas Lottery Executive Director and its commissioners) or (2) the Lottery's vendors with contracts over \$100,000. The list for all Texas Lottery contracts over \$100,000, including major and prime contracts, is regularly updated at the following website link: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Doing\\_Business\\_with\\_TLC/Contracts\\_Over\\_\\$100x000/](http://www.txlottery.org/export/sites/lottery/About_Us/Doing_Business_with_TLC/Contracts_Over_$100x000/).

Additionally, any such relationship that might be perceived or represented as a conflict must be disclosed. Failure to disclose any such relationship may be a cause for disqualification of a Proposal.

After inquiry, to our knowledge, with the exception of the current agency and Subcontractor personnel listed below, we do not believe Richards/Lerma has any conflicts of interest, but if we find out otherwise we will notify the Texas Lottery Commission immediately.

### **Current Richards/Lerma Employees**

- Melissa Sinkoski – Principal/Director of Finance and Agency Operations employed since February 2011. Melissa was Account Director at Cultura when Cultura worked on the Texas Lottery business before being acquired by LatinWorks.
- Erica Zepeda – Account Executive employed since March 2011. Erica was the Senior Account Executive at Cultura when they worked on the Texas Lottery business before being acquired by LatinWorks.
- Quim Gil – Principal/Director of Planning employed since September 2014. Quim was the Co-director of Planning at LatinWorks from February 2013 to September 2014. Although the current provider already had the Texas Lottery business, Quim did not work on the business nor was he involved in the development of the work.
- Rodrigo Maycotte – Head of Art employed since February 2016. Rodrigo was an intern at LatinWorks in 2009. As part of his internship, he worked on a few projects for the Texas Lottery.

### **Subcontractor Employees**

- Socialisssima. Norberto Zylberberg, Chief Creative Officer/Founder, employed since August 2016. Norbi worked at LatinWorks from June 2002 to July 2016. During his tenure at the agency, he held several titles ranging from Senior Copywriter to Senior Vice President and Group Creative Director and worked on the Texas Lottery business until 2016. Sharon Chortek worked on the Texas Lottery business as a Senior Freelance Producer from 2005-2008 (hired by Cultura) and as a Senior Freelance Producer from 2008 (hired by LatinWorks).
- GDC Marketing & Ideation. GDC currently works with Beehive Specialty Company and the Texas Department of Transportation – Printing Services, a relationship that has spanned six years on a project basis.
- Gabriela McClain, an employee of GDC since April 2017, has previously worked on the Texas Lottery at Univision TV & Radio, as a media coordinator on the national sales team from 2011-2016.

The following Richards/Lerma employees have previously worked for a vendor that had a previous or current Texas Lottery contract in excess of \$100,000. However, they did not work directly on the Texas Lottery business.

- Andres Pedraza
- Iris Diaz
- Miguel Moreno
- Kelsey Acosta
- Lindsey Jaimes
- Kristie Allen

4.4.2 This is a continuing disclosure requirement. The Proposer shall disclose to the Texas Lottery in writing any actual, potential or perceived conflict of interest, relative to the performance of the requirements of this RFP, prior to Contract Award and for the Successful Proposer after Contract Award, at the time the conflict is identified. Failure to promptly notify the Texas Lottery may be a cause for rejecting the Proposal.

We have read, understand, and will comply with section 4.4.2.

#### **4.5 FINANCIAL SOUNDNESS**

4.5.1 Each Proposer must provide evidence of financial responsibility and stability for performance of the Contract and must demonstrate the ability to finance the project described in its submission.

Richards Lerma, LLC has the financial responsibility and stability for performance of the contract awarded as a result of this RFP.

We have read, understand, and will comply with Section 4.5.1.

4.5.2 Each Proposer shall provide evidence of financial responsibility and stability based on any and/or all of the following:

1. If the Proposer is the sole source of financial resources, the Proposer must submit financials showing the Proposer's ability to finance the project on its own with current resources;
2. If the Proposer is the subsidiary of a parent corporation and the parent corporation is providing financial resources or assurance, the parent corporation must complete Attachment B, and the Proposer must submit financials for both the Proposer and the parent;
3. If the Proposer is a joint venture or a group of affiliated companies, the Proposal must include financials for each member or affiliate of such joint venture or group, as applicable.

If 1, 2 or 3 applies, then the Proposer shall submit the following documentation with its Proposal:

(a) Copies of audited financial statements and/or complete tax returns for each of the Proposer's (and its parent corporation, if applicable, or joint venture member or affiliate, if applicable) two (2) most recently ended fiscal years; and/or

(b) If documentation under (a) is not available, the Proposer shall provide other proof of financial assurance.

4. If the Proposer is relying on financial resources other than items 1 through 3 above, then the Proposer shall submit the following documentation with its Proposal:

(a) Other proof of financial assurance that is verified by a third party financial institution. Examples of such items are as follows:

- i. Unaudited financial statements accompanied by a line of credit from a third party financial institution stating the credit amount and available balance.
- ii. Unaudited financial statements accompanied by a bank statement provided by a third party financial institution confirming the Proposer's average bank balance for at least the previous six (6) months.
- iii. Any other financial information Proposer would like to be considered.

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

Confidentiality Claimed  
§552.104/552.110

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

Confidentiality Claimed  
§552.104/552.110

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

Confidentiality Claimed  
§552.104/552.110

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

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**Confidentiality Claimed**  
**§552.104/552.110**



## **4.6 BACKGROUND INVESTIGATIONS**

**4.6.1 Vendor Background Investigation.** Under TEX. GOV'T CODE ANN. § 466.103, the Executive Director of the Texas Lottery is prohibited from awarding a contract for goods or services related to lottery operations to a person or legal entity who would not qualify for a sales agent license under the requirements of § 466.155.

The Texas Lottery Commission may initiate investigations into the backgrounds of (a) any Apparent Successful Proposer; (b) any of the Apparent Successful Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in TEX. GOV'T CODE ANN. § 466.155 (collectively, Apparent Successful Proposer Principals); (c) any of the Apparent Successful Proposer's employees; (d) any of the Apparent Successful Proposer's Subcontractors, or the Subcontractors' officers, directors, investors, owners, partners, principals or employees (collectively, Subcontractor Personnel); or (e) any other associates of the Apparent Successful Proposer it deems appropriate. The Texas Lottery Commission may also request background information for a spouse, child, brother, sister or parent residing as a member of the same household in the principal place of residence of the Apparent Successful Proposer, any Apparent Successful Proposer Principals, or Apparent Successful Proposer employees described above. Such background investigations may include fingerprint identification by the Texas Department of Public Safety and the Federal Bureau of Investigation, and any other law enforcement agency. The Apparent Successful Proposer shall be obligated to provide such information about any Apparent Successful Proposer Principals, Apparent Successful Proposer employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Apparent Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons. The Texas Lottery may reject a Proposal and/or terminate the Contract based solely upon the Apparent Successful Proposer's failure to provide information to complete a background investigation or the results of these background investigations.

We have read, understand, and will comply with section 4.6.1.

**4.6.2 Contractually Defined Vendor Principal(s) Background Investigation.** The Texas Lottery may initiate background investigations on the Apparent Successful Proposer Principals who will be directly involved in selling or leasing the goods or performing the services that are the subject of this RFP or the Contract. This includes any oversight function performed by such individuals. For purposes of this section and the attachments, these individuals are called "contractually defined vendor principals."

We have read, understand, and will comply with section 4.6.2.

**4.6.3 Vendor Employee Background Investigations.** The Successful Proposer agrees that, during the term of the Contract and any extension thereof, it shall be obligated to provide such information about any principals, employees, and Subcontractor Personnel as the Texas Lottery may prescribe. The Successful Proposer also agrees that the Texas Lottery may conduct background investigations of such persons.

The Texas Lottery will conduct vendor employee background investigations on any of the Successful Proposer's principals, employees, and Subcontractor Personnel who meet one or more of the following criteria:

- they perform services that may impact the security and integrity of the core gaming business as determined by the Texas Lottery;
- they provide audit, financial, legal, or compliance services;
- they provide goods and/or services that control or monitor access to lottery premises;
- they have unescorted access to TLC facilities; and/or
- they have direct access to TLC information systems.

We have read, understand, and will comply with section 4.6.3.

**4.6.4 Apparent Successful Proposer.** If requested by the Texas Lottery, the Apparent Successful Proposer may be required to complete and return the following forms within ten (10) Working Days, or as otherwise directed by the Texas Lottery, after the written Announcement of the Apparent Successful Proposer is issued:

- a. Vendor Background Investigation Form (Attachment E).
- b. Certified List of Vendor Principals Form (Attachment E-1).
- c. Certified List of Contractually Defined Vendor Principals Form (Attachment E-2).
- d. Consent to Background Investigation and Release of Personal Information Form (Attachment E-4). A separate form shall be completed for each vendor principal included on Attachment E-2 Certified List of Contractually Defined Vendor Principals Form and each vendor/Subcontractor employee included on Attachment E-3 Vendor Employee Background Investigation List.
- e. Vendor Employee Background Investigation List (Attachment E-3).

We have read, understand, and will comply with section 4.6.4.

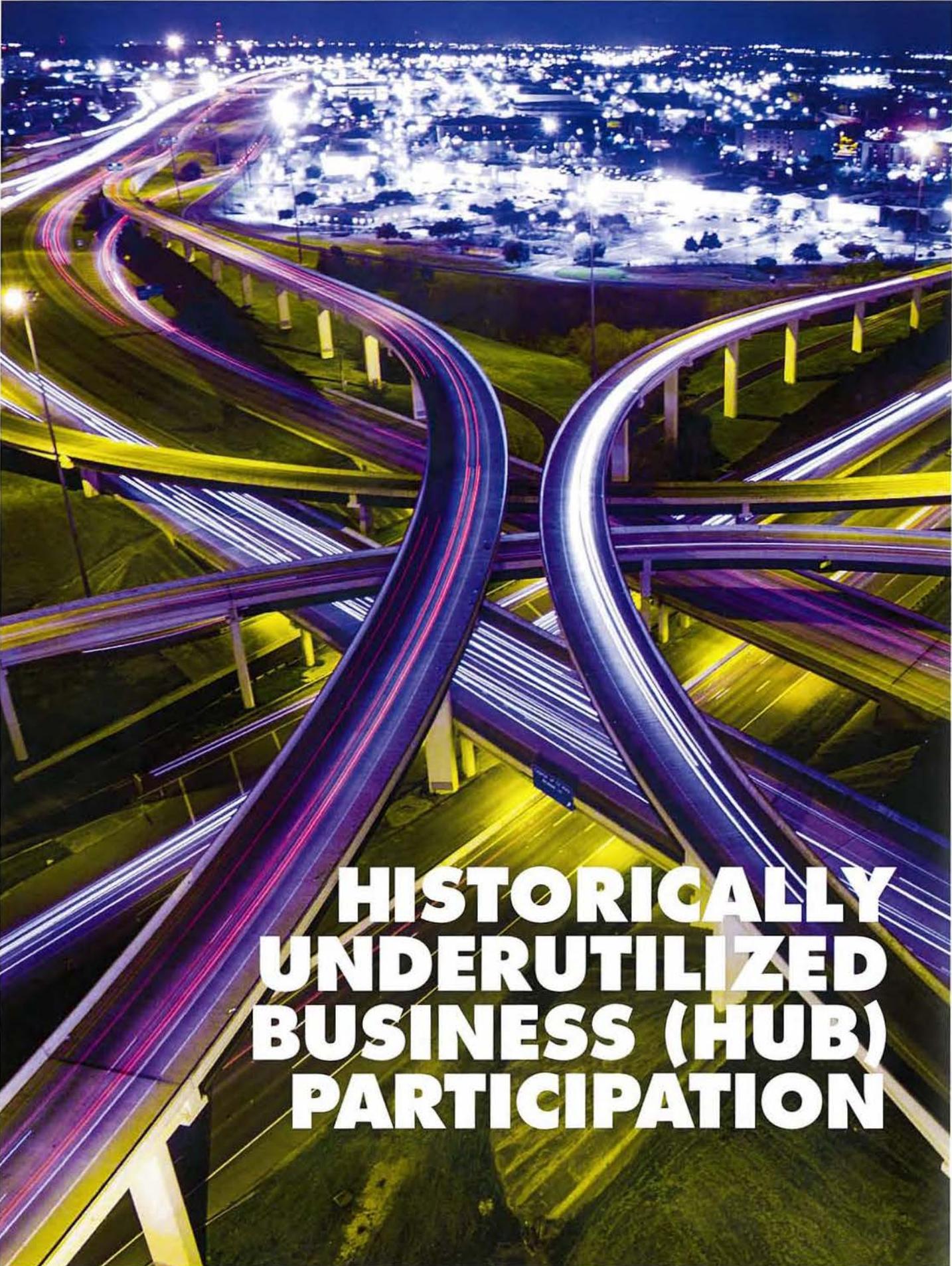
#### **4.7 DISCLOSURE OF INTERESTED PARTIES**

**4.7.1** Pursuant to Section 2252.908 of the TEX. GOV'T CODE ANN., a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties (Form 1295) to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Ethics Commission (See <https://www.ethics.state.tx.us/legal/ch46.html>).

We have read, understand, and will comply with section 4.7.1.

**4.7.2** If requested by the Texas Lottery, the Apparent Successful Proposer may be required to complete and file the Form 1295 with the Ethics Commission after the written Announcement of the Apparent Successful Proposer is issued and prior to contract execution.

We have read, understand, and will comply with section 4.7.2.



**HISTORICALLY  
UNDERUTILIZED  
BUSINESS (HUB)  
PARTICIPATION**



## 5 HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PARTICIPATION

### 5.1 HSP Requirement

The Texas Lottery has adopted the rules promulgated by the Comptroller of Public Accounts (CPA) regarding Historically Underutilized Businesses (HUBs) in 34 Texas Administrative Code (TAC) §§ 20.281 – 20.298 (See [http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac\\_view=5&ti=34&pt=1&ch=20&sch=D&div=1&rl=Y](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=5&ti=34&pt=1&ch=20&sch=D&div=1&rl=Y)). By submitting a Proposal, the Proposer certifies that it has reviewed 34 TAC §§ 20.281 - 20.298. Rule 20.285 addresses the specific requirements of Historically Underutilized Business subcontracting plans (HSPs).

***We have read, understand, and will comply with section 5.1.***

### 5.2 HSP SUBMISSION AND TEXAS LOTTERY REVIEW

- 5.2.1 All proposals must include an HSP (Attachment C, including Method A or B, if applicable) in the format required by the Comptroller of Public Accounts. Proposers may access the HSP forms on-line at the following CPA website link: <https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>. The forms must be printed, signed and submitted with your Proposal. The HSP is a pass/fail requirement. PROPOSALS THAT DO NOT INCLUDE A COMPLETED HUB SUBCONTRACTING PLAN PREPARED IN ACCORDANCE WITH 34 TAC §20.285 SHALL BE REJECTED AND WILL NOT BE EVALUATED.

***Please refer to the attached HUB Subcontracting Plan binder as required in Section 2.5.2 for our HSP.***

- 5.2.2 The HSP form is provided in Attachment C of this RFP. To determine whether a Proposer has performed a good faith effort in preparing its HSP as required by the Comptroller's HUB rules, the Texas Lottery may request clarifications, if necessary. The HSP will be reviewed based on the Proposer's submission and any clarifications requested by the agency.

***We have read, understand, and will comply with section 5.2.2.***

### 5.3 ASSISTANCE FOR PREPARATION OF HSP

- 5.3.1 *Pre-Proposal Conference.* Proposers are encouraged to attend the pre-Proposal conference, which will include a brief overview of the HSP requirements. Proposers may ask questions at the pre-Proposal conference regarding the HSP. A copy of the TLC's Pre-Bid/Proposal Conference Booklet regarding HSP requirements is available on the agency's website at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Doing\\_Business\\_with\\_TLC/Procurement/](http://www.txlottery.org/export/sites/lottery/About_Us/Doing_Business_with_TLC/Procurement/) Proposers should review the HSP booklet thoroughly to ensure they fill out and submit all forms correctly.

***We have read, understand, and will comply with section 5.3.1.***



5.3.2 *HSP Quick Check List and HUB Subcontracting Opportunity Notification Form.* Attached to this RFP are an HSP Quick Check List (Attachment C-1) prepared by the Texas Comptroller and a HUB Subcontracting Opportunity Notification Form (Attachment C-2). Attachment C-1 is intended to assist Proposers in preparing the HSP forms, but is not required to be submitted with Proposals. Proposers are encouraged to use Attachment C-2 when sending notice of subcontracting opportunities.

***We have read, understand, and will comply with section 5.3.2.***

5.3.3 *Additional TLC Assistance.* As stated above, if an HSP is rejected, the Proposal will be disqualified and will not be considered. **Therefore, Proposers are strongly encouraged to start preparing HSP forms as soon as possible and take advantage of the following TLC assistance. Please note there are deadlines associated with this process and Proposers have a limited amount of time to cure any deficiencies.**

- Written questions regarding the HSP can be submitted at any time up until the Proposal deadline. The TLC will compile and post a separate HSP question-and-answer document on the TLC website. The document will be updated as questions are submitted. **It is the Proposer's responsibility to check the TLC website for this information.**
- The TLC will conduct one-on-one HSP workshops with Proposers upon request. The workshops will cover detailed information on how to complete the HSP forms. Workshops must be concluded by the date and time listed in the Schedule of Events. Workshops may be conducted in person or via telephone conference. **Proposers are responsible for contacting the Texas Lottery to schedule a workshop during the specified time period. Proposers may schedule a workshop either before or after the Pre-Proposal Conference.**
- The TLC will review and provide individual written feedback on draft HSP forms submitted by Proposers. Draft HSP forms must be submitted by the date and time listed in the Schedule of Events. Upon request, the TLC may also provide verbal feedback.

Note that "draft HSP forms" consist only of the forms included in Attachments C, C-1 and C-2 of the RFP and documentation related to performance of the good faith effort. In reviewing draft forms, the TLC will not comment on responses to Part 5 or to any other sections of the RFP, even if they are referred to in the HSP forms. Proposers are instructed not to submit any other portions of their Proposal to the TLC as part of the draft HSP.

One-on-one workshops and the TLC's review of draft HSP forms do not guarantee that the HSP submitted with the Proposal will pass.

***We have read, understand, and will comply with section 5.3.3.***



## 5.4 REQUIREMENTS FOR COMPLETING THE HSP FORMS

5.4.1 TLC's HUB Participation Goal. The goods and/or services requested in this RFP are classified in the category of Other Services Contracts. The agency's HUB participation goal for this RFP is 26%.

***We have read, understand, and will comply with section 5.4.1.***

5.4.2 Requirements of the HUB subcontracting plan. Each Proposer shall complete the HSP forms prescribed by the Comptroller (Attachment C) and provide the following:

- (A) a certification the Proposer has made a good faith effort to meet the requirements of 34 TAC § 20.285;
- (B) the names of the subcontractors that will be used during the course of the Contract;
- (C) the expected percentage of work to be subcontracted; and
- (D) the approximate dollar value of that percentage of work.

Each Proposer shall provide all documentation required by the agency to demonstrate the Proposer's compliance with the good faith effort requirements prior to Contract Award. If a Proposer fails to provide supporting documentation (phone logs, fax transmittals, electronic mail, etc.) by the deadline specified by the agency, the Proposal shall be rejected for material failure to comply with TEX. GOV'T CODE ANN. §2161.252 (b).

***We have read, understand, and will comply with section 5.4.2.***

### 5.4.3 Proposer Intends to Subcontract

Proposers who intend to subcontract any portion of the Contract must indicate in the HSP form that they intend to subcontract, and must perform one of the three good faith effort methods identified below.

- **Method A (1): Using 100% HUB Subcontractors.** Proposer will use only Texas-certified HUBs for all identified subcontracting opportunities.
- **Method A (2): Meeting the Specified HUB Contract Goal.** Proposer will meet the HUB contract goal by using only Texas-certified HUBs with whom the Proposer has contracted for five years or less.
- **Method B: Good Faith Effort Outreach.** Proposer will perform good faith effort outreach for each identified subcontracting opportunity by contacting at least three Texas-certified HUBs and two trade organizations or development centers that serve members of the HUB groups. **Proposers using this method must perform the outreach even for areas where a Proposer has a pre-existing subcontracting relationship.**

**PROPOSERS WHO INTEND TO SUBCONTRACT, AT A MINIMUM, MUST USE ONE OF THE METHODS OUTLINED ABOVE. FAILURE TO DO SO WILL RESULT IN DISQUALIFICATION.**

***We have read, understand, and will comply with section 5.4.3.***



#### 5.4.4 Proposer Does Not Intend to Subcontract

Proposers who intend to fulfill the entire Contract using only their own existing resources and employees, without subcontracting, should check the appropriate box in Section 2 of the HSP form and complete Sections 3 and 4 of the form.

The Proposer must explain how all functions of the Contract will be performed without the use of Subcontractors and should refer to Section 3 of the HSP form.

*We have read, understand, and will comply with section 5.4.4.*

#### 5.5 SUBCONTRACTING OPPORTUNITIES

5.5.1 The Texas Lottery has identified the following potential subcontracting opportunities under this RFP. Proposers intending to subcontract any must perform the good faith effort detailed in the HSP instructions and include a compliant HSP with the Proposal.

*We have read, understand, and will comply with section 5.5.1.*

5.5.2 After Contract Award, for any services denoted with an asterisk and in **bold/blue** font below that the Successful Proposer intends to subcontract, the Successful Proposer shall be required to perform the good faith effort and select a minimum of three potential subcontractors and, per section 7.13.2, obtain at least three competitive bids for expenditures that exceed \$5,000.

#### **CLASS 037: AMUSEMENT, DECORATIONS, ENTERTAINMENT, GIFTS, TOYS, ETC.**

##### Item Numbers and Commodity Descriptions:

- \*037-25 **Carnival and Fair Equipment: Inflatables, Bounce Houses, Interactive Games**
- \*037-52 **Novelties, Promotional and Specialty Products, Including Biodegradable**
- \*037-78 **Souvenirs and Prizes: Promotional, Advertising, etc.**

#### **CLASS 559: MASS TRANSPORTATION, RAIL VEHICLE PARTS AND ACCESSORIES**

##### Item Numbers and Commodity Descriptions:

- \*559-70 **Signage: Destination, Routing and Advertising**

#### **CLASS 578: MISCELLANEOUS PRODUCTS (NOT OTHERWISE CLASSIFIED)**

##### Item Numbers and Commodity Descriptions:

- \*578-83 **Store Fixtures and Display Hardware, Retail**

#### **CLASS 715: PUBLICATIONS, AUDIOVISUAL MATERIALS, BOOKS, TEXTBOOKS, PREPARED MATERIALS ONLY**



**Item Numbers and Commodity Descriptions:**

**\*715-30 Display, Exhibit, and Promotional Materials**

**CLASS 801: SIGNS, SIGN MATERIALS, SIGN MAKING EQUIPMENT, AND RELATED SUPPLIES**

**Item Numbers and Commodity Descriptions:**

**\*801-58 Signs: Billboard, Advertising, etc.**

**CLASS 915: COMMUNICATIONS AND MEDIA RELATED SERVICES**

**Item Numbers and Commodity Descriptions:**

915-01 Advertising Agency Services

915-04 Advertising Services, Outdoor Billboard, etc.

**\*915-06 Audio Production Services**

915-08 Audio Media Duplicating Services, Including Cassettes, CD ROMs, Tapes, etc.

915-09 Audio and Video Production Services

915-10 Advertising Digital

915-14 Broadcasting Services, Radio

915-15 Broadcasting Services, Television

915-26 EDI, Electronic Data Interchange, VAN, Value Added Network Services

**\*915-27 Editorial Services**

**\*915-42 Film, Slide and Tape Production Services**

915-48 Graphic Arts Services, Not Printing

915-58 Mailing Services: Addressing, Collating, Packaging, Sorting and Delivery

915-59 Mail Services, Express

915-71 Newspaper and Publication Advertising, Non-legal

**\*915-72 Photography Services, Not Including Aerial Photography**

**\*915-74 Radio Commercial Production Services**

**\*915-78 Television Commercial Production Services**

**\*915-82 Video Production Services**

915-90 Video Media Duplicating and Production Service, Including CD ROMs, Tapes, etc.

915-96 Web Page Design, Management and Maintenance Services

**CLASS 918: CONSULTING SERVICES**

**Item Numbers and Commodity Descriptions:**

918-07 Advertising Consulting

918-76 Marketing Consulting

**CLASS 920: DATA PROCESSING, COMPUTER PROGRAMMING, AND SOFTWARE SERVICES**



**Item Numbers and Commodity Descriptions:**

920-28 Emergency Back-up, Disaster Recovery Services and Facilities for Data Processing

**CLASS 958: MANAGEMENT AND OPERATION SERVICES**

**Item Numbers and Commodity Descriptions:**

958-84 Social Media Management Services

**CLASS 961: MISCELLANEOUS SERVICES, NO. 1 (NOT OTHERWISE CLASSIFIED)**

**Item Numbers and Commodity Descriptions:**

961-04 Artists: Digital, CAD, Disc Jockey

961-49 Legal Services, Attorneys

961-53 Marketing Services, Including Distribution, Public Opinion Surveys, Research, Sales Promotions, etc.

**\*961-66 Sign Making and Painting Services**

961-71 Talent Agency Services

961-73 Theatrical Services, Including Costume Design and Creation, Production, Scenery Design, Stage, etc.

961-75 Translation Services, All Languages

**CLASS 962: MISCELLANEOUS SERVICES, NO. 2 (NOT OTHERWISE CLASSIFIED)**

**Item Numbers and Commodity Descriptions:**

**\*962-05 Amusement and Entertainment Services, Including Performing Arts Professionals and DJ Services**

962-24 Courier/Delivery Services, Including Air Courier Services

**\*962-60 Party, Holiday, and Event Decorating and Planning Services**

**\*962-86 Transportation of Goods, Shipping and Handling, and Other Freight Services**

**CLASS 965: PRINTING: PREPARATIONS, ETCHING, PHOTOENGRAVING, PREPARATION OF MATS, NEGATIVES AND PLATES AND PRINTING SERVICES**

**Item Numbers and Commodity Descriptions:**

965-15 Artwork, Camera Ready

965-46 Graphic Design Services for Printing

965-70 Pre-Press: Color Separations, Composite Film, Stripping, Chromolin or Match-Print Proof, etc.



## CLASS 966: PRINTING AND TYPESETTING SERVICES

### Item Numbers and Commodity Descriptions:

- \*966-25 Digital Printing
- \*966-57 Offset Printing, General, Small Press Work (Quan. up to 25,000), One or More Colors, No. 4 Color Processes or Large Solids or Close Registration; up to 11 x 17 In.: Brochures, Newsletters, Covers, Posters, etc.
- \*966-60 Offset Printing, Large Production Runs (Quan. up to 100,000); 4 Color Process or Close Registration Required: Color Brochures, Maps, etc.
- \*966-84 Silk Screen Printing
- \*966-86 Specialty Printing: Die Cutting, Laser, Plastic, Thermography, etc., Folders, Invitations, Tabs, Binders, Banners, Banner Displays, etc.

## CLASS 971: REAL PROPERTY RENTAL OR LEASE

### Item Numbers and Commodity Descriptions:

- 971-70 Storage Space Rental or Lease

The potential subcontracting opportunities listed above may or may not be areas that a Proposer would subcontract, depending on that Proposer's existing resources, employees, and business model. Further, Proposers are not limited to the list above, and may identify additional areas of subcontracting. Proposers who intend to subcontract are responsible for identifying all areas that will be subcontracted and shall submit a completed HSP demonstrating evidence of good faith effort in developing that plan.

***We have read, understand, and will comply with section 5.5.2.***

- 5.5.3 A list of HUB vendors registered with the Comptroller of Public Accounts (CPA) for the subcontracting opportunities identified above is included under the HUB/CMBL tab of this RFP. This list is provided as a resource to assist Proposers in preparing and submitting a HSP. The Texas Lottery Commission does not endorse, recommend or attest to the capabilities of any company or individual listed. Note that currently active certified HUBs will have a status code of "A." All other status codes indicate that a vendor is inactive or not a HUB.

***We have read, understand, and will comply with section 5.5.3.***

- 5.5.4 Please refer to the HUB/CMBL Directory Instructions and HUB Vendor Reference Lists under the HUB/CMBL tab of this RFP to locate potential HUB Subcontractors.

***We have read, understand, and will comply with section 5.5.4.***



## 5.6 POST CONTRACT AWARD

### 5.6.1 Notification of Subcontractors

Following Contract Award, the Successful Proposer must provide notice to all subcontractors (HUBs and Non-HUBs) of their selection for the awarded Contract. The Successful Proposer is also required to provide a copy of each notice to the agency's point of contact for the Contract no later than ten (10) Working Days after the Contract is awarded. Proposers should refer to Section 4 of the HSP form for additional information about this requirement.

***We have read, understand, and will comply with section 5.6.1.***

### 5.6.2 HSP Changes

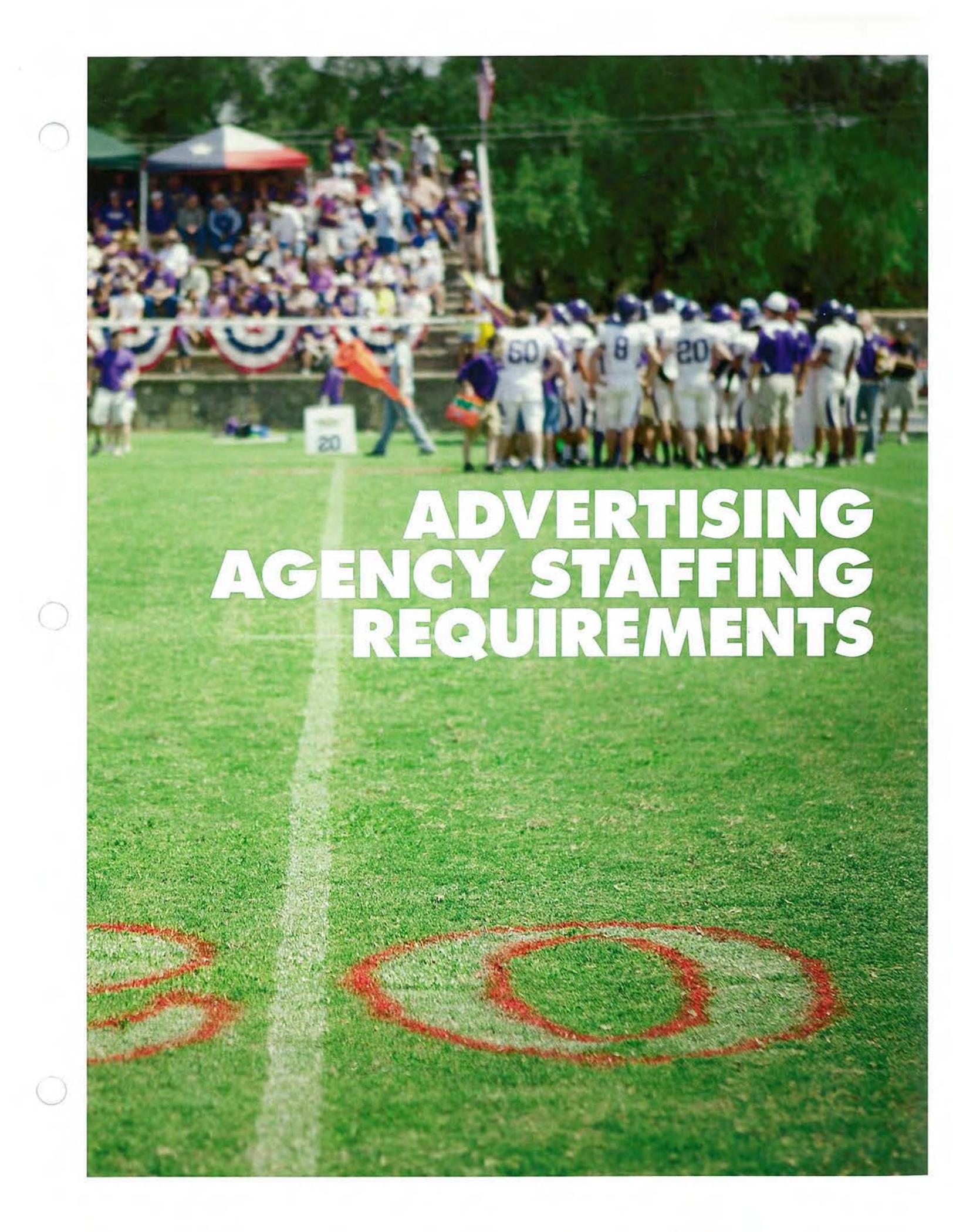
Following Contract Award, any proposed changes to the HSP must be submitted, in writing, by the Successful Proposer to the Texas Lottery for prior review and must be approved by the Texas Lottery in writing before becoming effective under the Contract.

***We have read, understand, and will comply with section 5.6.2.***

### 5.6.3 HSP Reporting

Following Contract Award, if the Successful Proposer is subcontracting, the Successful Proposer shall maintain business records documenting compliance with the HSP and shall submit a monthly compliance report in the format required by the Texas Lottery. The monthly compliance report shall be submitted to the Texas Lottery by the 10th of the following month or on the date requested by the agency's HUB Coordinator or his/her designee. The submission of the monthly compliance report is required as a condition of payment.

***We have read, understand, and will comply with section 5.6.3.***



# ADVERTISING AGENCY STAFFING REQUIREMENTS

## **6.1 AD AGENCY STAFFING**

**6.1.1** It is crucial that the Successful Proposer and the team assigned to work on the Texas Lottery account demonstrate the experience and skills required to effectively reach and communicate with the diverse population of Texas including expertise marketing retail products across all advertising media and retail placement channels. Proposers shall provide detailed résumés for all personnel who will be assigned to the Texas Lottery account.

Our team has a long list of brands to its credit. Those brands include The Home Depot, MetroPCS, Avocados From Mexico, Dr Pepper Snapple Group, TxDOT, TDECU Texas Road Watchers, Time Warner Cable, The U.S. Army, Southwest Airlines, Procter & Gamble, H-E-B, The Water Conservation District of Dallas and Fort Worth, among others.

There are two criteria we apply across all the varied disciplines at the agency to ensure we have the best team working on a client's business: talent and cultural fit.

### **Let's talk about talent.**

Talent isn't just the purview of the creative discipline. At our agency, talent has a much broader definition. If we're interviewing a brand management candidate, we want to evaluate organizational and leadership skills. Does this person pay attention to details? Could he or she handle multiple tasks? How would he or she handle pressure?

We want to know about a candidate's smarts (Is he or she bright? Articulate? Uses common sense? A strategic thinker?) and personality (Engaging? Optimistic? Well-rounded?). Is this someone who is open-minded, naturally curious, expresses a point of view and can generate ideas?

Assembling the right team to work on a client's business is part science and part art. We believe it's not just about having the right people, but having them in the right role too. We want to ensure we deliver the most effective and efficient strategies and ideas to achieve your brand objectives. The science is making sure every team member has the right experience and qualification to partner with you as a thought leader on the business. The art is making sure the chemistry and dynamic between our team and yours spark the best ideas.

Our team members know how to engage mass audiences and multicultural segments. They have experience working with global brands, but also understand how to bring that message home to Texans in a relevant way. They possess the right disposition and personality. Retail accounts are high-pressure accounts. The demands for speed to market are unlike any other. Add oversight from State Commissions, regulators, legislators and consumer groups, and the pressure increases exponentially. The team we have selected is at ease in that environment.

## But what about cultural fit?

We've peacefully blended people of varied roles and personalities by demolishing the walls and removing the barriers – physical and psychological – that impede the free flow of ideas, opinions, and personal contacts.

We have no departmental lines and don't segregate ourselves by job function. Everybody has neighbors with different jobs. That way, people with diverse roles on a client's business not only talk to each other and get work done faster, they also see how hard their counterparts work for the same cause. And that breeds respect.

As you will see in the résumés in the following pages, your Texas Lottery team is composed of current employees as well as Subcontractors for key disciplines. They are all proven professionals who understand the intricacies of developing strategies for a diverse and multicultural audience. They are thought leaders with successful track records of providing results for our retail clients MetroPCS and The Home Depot. They have led multicultural initiatives for MetroPCS where we are the lead agency of record across all consumer segments and have influenced winning strategies for Dr Pepper, Bud Light Chelada and Clamato, where our work is focused on reaching Millennials.

The Richards/Lerma Texas Lottery team is led by Tommy Thompson. A true multicultural person himself, Tommy spent his professional career redefining how brands connect with the growing U.S. Hispanic market. From his early start on Nestlé brands to the McDonald's business where he earned his stripes, Tommy developed a knack for strategy, vision and flawless execution.

After a long career in the advertising industry, gathering consumer insights firsthand and counseling Fortune 500 companies such as Sprint, Boost Mobile, Verizon Wireless, Midas, The Coca-Cola Company and Heineken USA at the national, regional and local levels, Tommy decided to take time off in 2015 to focus on his children.

Ever the entrepreneur and consumer advocate, Tommy couldn't sit still for long and set out to redefine the coin laundry industry in 2016. His first concept, Wash it Proudly in Richardson, TX, which opened in April 2017, puts into practice all of his learnings about growing a brand by respecting consumers and delivering an elevated experience. Interactions with customers of all backgrounds and cultures in a real-world setting has allowed him to gather an unaltered perspective on consumer mindset and behavior.

**6.1.2 Proposers must provide an organizational chart which identifies all staff who will support the Texas Lottery account. The organizational chart should include the position titles (e.g., account service, media, creative, support staff, etc.), number of positions, and names of all personnel. The organizational chart should include corporate directors and/or officers who will provide direction or oversight to the Texas Lottery account.**

At Richards/Lerma, we've developed a structure that enhances creativity and helps all disciplines work together toward common goals. There are few layers. And while we have identified team members by traditional titles for the purposes of this RFP, there are no internal corporate titles. This is part of what makes us unique and appealing to advertising professionals more interested in the work than the titles. It disposes of egos, opens communication channels, enhances collaboration and supports our belief that great ideas can come from anywhere, and anyone. It reinforces that the most important objective is to create amazing communications for our clients.

The following pages contain organizational charts identifying all staff who will support the Texas Lottery account, including position titles, number of positions, and names of all personnel. The organizational charts below also include corporate directors and/or officers who will provide direction or oversight to the Texas Lottery account.

**CREATIVE  
7 POSITIONS**

Aldo Quevedo  
*Principal/Creative*

Flor Leibaschoff  
*Creative Director*

Luis Enriquez  
*ACD/ Art Director*

Ruth Lovati  
*Art Director*

Samuel Melgar  
*Copywriter*

Madeleine Glenski  
*Copywriter*

TBD  
*Copywriter*

**ACCOUNT MANAGEMENT  
8 POSITIONS**

Salma Gottfried  
*Principal/Brand Management*

Tommy Thompson  
*Account Director*

Derek Diaz de Leon  
*Account Supervisor*

Yamile Mahomed  
*Account Supervisor*

Paola Aguayo  
*Account Executive*

Cindy Villalta  
*Account Executive*

Alvaro Polanco  
*Jr. Account Executive*

Linda Flores  
*Jr. Account Executive*

**OPERATIONS/FINANCE  
8 POSITIONS**

Melissa Sinkoski  
*Principal/Director of Finance  
and Operations*

Celeste Ponce  
*Finance Manager*

Danny Valderrama  
*Billing Coordinator*

Matias Sada  
*Executive Producer*

Cesar Jasso  
*Producer*

Paolo Linares  
*Producer*

Jill Natowitz  
*Proofer/Translator*

TBD  
*Print Producer*

**STRATEGIC PLANNING  
3 POSITIONS**

Quim Gil  
*Principal/Planning*

Carlos Rodriguez  
*Account Planner*

Sarah Michael  
*Account Planner*



**GDC MEDIA/EXPERIENTIAL  
SUBCONTRACTOR (10 POSITIONS)**

Beth Wammack  
*Partner/Chief Operations Officer*

Carey Quackenbush  
*Partner/Chief Ideation Officer*

Christian Munoz  
*Experiential Manager*

Lisa Gomez  
*Media Supervisor*

Lannette Espino  
*Media Buyer*

Gabriela McClain  
*Jr. Media Buyer*

Whitney Uribe  
*Jr. Media Buyer*

Tom Lewis  
*Finance Manager*

Linda Countryman  
*Staff Accountant*

Selina Smith  
*Billing Coordinator*

**Ro2 MEDIA  
5 POSITIONS**

Rodrigo Vallejo  
*Media Director*

Kathy Alexander  
*Media Supervisor*

Jessica Arvelo  
*Media Planner*

Juanita Fierro  
*Junior Media Planner*

Karla Gonzalez  
*Junior Media Planner*

**DIGITAL/SOCIAL  
2 POSITIONS**

Francisco Cardenas  
*Digital Strategy Director*

Ovidio Hinojosa  
*Programming Specialist*

**SOCIALISSIMA  
SUBCONTRACTOR (2 POSITIONS)**

Norberto Zylberberg  
*Founder/Creative Director*

Sharon Chortek  
*Production Services*

**KEY MANAGEMENT**  
Richards/Lerma



**Pete Lerma**  
Founder/Principal



**Salma Gottfried**  
Principal/  
Brand Management



**Aldo Quevedo**  
Principal/Creative



**Quim Gil**  
Principal/Planning



**Melissa Sinkoski**  
Principal/Director of  
Finance and Operations



**Matias Sada**  
Executive Producer



**Tommy Thompson**  
Account Director



**Francisco Cardenas**  
Digital Strategy Director

**ACCOUNT MANAGEMENT**

Richards/Lerma



**Salma Gottfried**  
Principal/Brand Management



**Tommy Thompson**  
Account Director

**Derek Diaz de Leon**  
Account Supervisor



**Yamile Mahomed**  
Account Supervisor

**Paola Aguayo**  
Account Executive



**Cindy Villalta**  
Account Executive

**Alvaro Polanco Jr.**  
Account Executive



**Linda Flores**  
Jr. Account Executive

**STRATEGIC PLANNING**

Richards/Lerma



**Quim Gil**  
Principal/ Planning



**Carlos Rodriguez**  
Account Planner



**Sarah Michael**  
Account Planner

**CREATIVE**  
Richards/Lerma



**Aldo Quevedo**  
Principal/Creative



**Flor Leibaschoff**  
Creative Director



**Ruth Lovati**  
Art Director



**Samuel Melgar**  
Copywriter



**Luis Enriquez**  
ACD/Art Director



**Madeleine Glenski**  
Copywriter



**TBD**  
Copywriter

**DIGITAL/SOCIAL**  
Richards/Lerma



**Francisco Cardenas**  
Digital Strategy Director



**Ovidio Hinojosa**  
Programming Specialist

**OPERATIONS / FINANCE**  
Richards/Lerma



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Principal/Director of  
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Finance Manager



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Billing Coordinator



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Executive Producer



**Cesar Jasso**  
Producer



**Paolo Linares**  
Producer



**TBD**  
Print Producer



**Jill Natowitz**  
Proofer/Translator

**Ro2 MEDIA**



**Rodrigo Vallejo**  
Media Director



**Kathy Alexander**  
Media Supervisor



**Jessica Arvelo**  
Media Planner



**Juanita Fierro**  
Jr. Media Planner



**Karla Gonzalez**  
Jr. Media Planner

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**SOCIALISSIMA**



**Norberto Zylberberg**  
Founder/Creative Director



**Sharon Chortek**  
Production Services

**GDC MEDIA/EXPERIENTIAL**



**Beth Wammack**  
Partner/  
Chief Operations Officer



**Carey Quackenbush**  
Partner/  
Chief Ideation Officer



**Christian Munoz**  
Experiential Manager



**Lisa Gomez**  
Media Supervisor



**Tom Lewis**  
Finance Manager



**Lannette Espino**  
Media Buyer



**Whitney Uribe  
Jr. Media Buyer**



**Gabriela McClain**  
Jr. Media Buyer



**Linda Countryman**  
Staff Accountant



**Selina Smith**  
Billing Coordinator

**PETE LERMA**  
Founder and Principal



*"I am an eternal optimist – perhaps, sometimes, to a fault. But I'm okay with that. I believe things happen for a reason. I believe people are good. I believe in hope. I believe in youth, and youthfulness for those of us who aren't young. I believe in joy. I believe in Texas, and in Texans. I believe that every time people scratch a lottery ticket or pick their lottery numbers, they believe too. I believe that in those moments the optimist in all of us comes out."*

Pete believes that his job is to create a vision for the agency, solve problems for his clients, and find ways for everyone involved to succeed. And the culture that he has nurtured at Richards/Lerma is based on that vision. "I am the founder of the agency, but more than that I am a leader. I found out a long time ago that a good leader has four qualities:

*Self-Awareness – Knowing what I'm good at and what I'm not so good at – and being really honest about those things.*

*Self-Management – Finding ways to put myself in situations where my strengths shine. And making sure I keep myself out of situations where my shortcomings could be a liability.*

*Social Awareness – Working to understand the strengths and weaknesses of the people around me. This means both my internal team and my external partners and clients.*

*Relationship Management – Creating teams and situations where people's strengths are leveraged and their shortcomings are compensated for by other parts of the team."*

## **EXPERIENCE**

Pete has learned how to connect brands and people through digital and traditional media, in English and Spanish. He's achieved that by identifying unexpected insights about audiences and crafting creative ways to deliver messages. And he's been fortunate to work with great people and great clients, including Travelocity, Fiat Chrysler Automobiles, Dr Pepper Snapple Group, Avocados From Mexico, Anheuser-Busch, and MetroPCS.

## **WORK HISTORY**

Richards/Lerma – Principal/Founder	2008–Present
Click Here – Principal	1998–2011
DesignWorks – Account Supervisor	1994–1998
KNIN Radio – Account Executive	1992–1994

## **EDUCATION**

Pete attended Midwestern State University in Wichita Falls, Texas.

**SALMA GOTTFRIED**

Principal/Brand Management



*"I love the thrill of the unexpected and how every time I play it's that feeling that maybe today will be the day I win! But even if I don't, I also love the fact that all of Texas wins with support from the Texas Lottery for education and veterans programs."*

Salma is a master at facilitating interdepartmental workflow. Her high energy derives from a passion to always be a step ahead. She loves bringing visions to life, whether they are for a strategy, idea, or new opportunity.

**EXPERIENCE**

Salma is an advertising and marketing professional with over 18 years of progressive results driving innovative marketing and branding solutions via traditional and non-traditional media. She has in-depth experience with diverse industries, consumers, categories, and brands with multicultural backgrounds. She has led account management teams with accountability for growing and managing key clients, including Procter & Gamble (Gillette, Head & Shoulders, Duracell, Iams and Orgullosa), Levi's, Southwest Airlines, Gatorade, Frito-Lay, Pizza Hut, Taco Bell, and Nationwide Insurance. In her current role at Richards/Lerma, she oversees senior client relationships and manages brand initiatives for clients such as The Home Depot, Dr Pepper Snapple Group, Avocados From Mexico, and LALA.

**WORK HISTORY**

Richards/Lerma – Principal/Brand Management	2013–Present
Salma Gottfried Consulting – Principal	2012–2013
DCVB – Sr. VP of Marketing	2011–2012
Dieste – Executive Director Account Management	1997–2011
Ornelas & Associates – Account Supervisor	1995–1996
Loews Hotels – Director of PR/Advertising	1990–1995

**EDUCATION**

Salma received a Bachelor's of Business Administration with a concentration in Marketing from Southern Methodist University in Dallas, Texas.

**TOMMY THOMPSON**

Account Director



*"My favorite part of the Texas Lottery is the excitement the whole family shares when we start scratching our cards on Christmas morning. It is always fun to see who is the luckiest."*

Tommy is a surfer. And he sees a correlation between riding waves and advertising. The conditions in which brands operate to win the hearts and minds of consumers are always changing. So he is always in a state of readiness – observing, planning, and adjusting to ensure clients ride the right waves. Not every wave that comes your way should be ridden. And some waves may seem small at first, but upon further exploration, provide the best ride. It requires hard work, balance, proper positioning, and the right platforms. Tommy takes all the lessons he learns on the ocean and applies them to crafting strategic executions that motivate consumers and build clients' businesses.

**EXPERIENCE**

Throughout his career, Tommy has led two award-winning advertising agencies while partnering with global brand leaders such as McDonald's, Sprint, Coca-Cola, Tecate, Nestlé USA, and Verizon Wireless. He has helped influence how they engage with consumers to increase brand loyalty and drive sales across the counter. As the agency lead for these accounts, he ensured creative, strategy, media, promotions, production, and billing functioned and delivered at the highest level.

**WORK HISTORY**

TLK Ice Cream – Principal/Founder	2015–2016
Moroch Holdings – Board Director	2013–2015
Moroch Partners – President	2013–2015
iNSPIRE! – Chairman/CEO/Founder	2003–2015
Alma DDB – Sr. Account Supervisor	1999–2002

**EDUCATION**

Tommy earned a Bachelor of Science in Advertising/Public Relations with an area in Marketing from Texas Christian University, Fort Worth, Texas.

**DEREK DIAZ DE LEON**

Account Supervisor



*"My fondness for the Texas Lottery stems from birthday cards filled with scratch-off games and Christmas morning spent scratching tickets from my stocking with family."*

As a leader in brand management, Derek is allowed to play various roles throughout the creative process, from contemplating consumer behavior to strategically building a creative framework. Derek views his job as thinking like a creative and a client at the same time. It's an approach that has allowed him to connect with consumers and execute successful campaigns for clients.

**EXPERIENCE**

Derek's experience includes three years in the restaurant business chasing his dream of being the next Tilman Fertitta (a fellow Texan). Fortunately for us, he transitioned back into advertising. The clients Derek has worked with represent a number of categories, including retail, QSR, automotive, and CPG. Clients include The J.M. Smucker Company, Burger King, Ram Trucks, Chrysler, Jeep, The Home Depot and Anheuser-Busch. He works closely with teams from different disciplines – planning, creative and digital – to create unique strategies and creative for each client.

**WORK HISTORY**

Richards/Lerma – Account Supervisor	2013–Present
La Duni North America – Marketing and Operations	2010–2013
LatinWorks – Account Management Intern	August–December 2009
Mercury Mambo – Account Management Intern	May–August 2009

**EDUCATION**

Derek is a graduate of the University of Texas at Austin with a Bachelor of Arts in Advertising.

**YAMILE MAHOMED**

Account Supervisor



*"I have always enjoyed playing the Texas Lottery. That thrill, anticipation, emotion, and possibility that a single scratch-off or lottery ticket contains is immeasurable. Knowing that, at your fingertips, is the chance of a lifetime is an adrenaline rush."*

For Yamile, being in brand management means a multitude of things. She believes that brand managers must put themselves in a client's shoes to understand the product or service as well as the brand vision. She also enjoys the challenge of communicating that vision to her team, so they can creatively bring it to life.

**EXPERIENCE**

With over 10 years of experience, Yamile has worked on brands such as MetroPCS, Samsung, Verizon Wireless, Chrysler, Dannon, Bank of America, and many more. She enjoys continually learning about each brand, its respective category, audiences, and how to best address its particular challenges. Yamile's career has allowed her to easily prioritize, organize, and problem-solve on a daily basis.

**WORK HISTORY**

Richards/Lerma – Account Supervisor	2017–Present
Lopez Negrete Communications – Account Supervisor	2012–2016
BFG Communications – Marketing Program Manager	2011–2012
Alcon Laboratories – Global Marketing Communications Associate	2009–2011
Robinson Creative Inc. – Project/Office Manager	2007–2009
Legion Advertising – Account Executive	2004–2006

**EDUCATION**

Yamile received a Bachelor of Arts in Marketing and Psychology from the University of North Texas, Denton.

**PAOLA AGUAYO**

Account Executive



*"As soon as I buy a ticket, I'm on a weeklong dream of what I would do if I won. I could get a new car, take a big trip, or pay off my student loans. We have the ability to turn a little slip of paper into a temporary fantasy. Then the day of the drawing, I'm back to reality like 99% of Texas residents who bought a ticket. But knowing that my money helps our educational system still makes it rewarding."*

Paola's background includes life experiences that she believes benefit her clients. Having lived in Puerto Rico and New York, she is able to view clients' work from a true multicultural perspective. She employs her organizational and multitasking skills to align work within the agency and to make sure all projects are crafted with care and attention.

**EXPERIENCE**

Prior to joining Richards/Lerma in 2017, Paola worked for brands such as Coca-Cola Puerto Rico Bottlers, Jimmy Choo, and Moschino. Her day-to-day tasks for The Home Depot and Bud Light Chelada accounts include support for billing, financial reconciliation, project management, reporting, competitive reporting, and special projects such as research.

**WORK HISTORY**

Richards/Lerma – Brand Management	2017–Present
Jimmy Choo – Marketing Intern	2016–2017
New York Magazine's <i>The Cut</i> – Fashion Month Prod. Freelancer	Sep. 2016
Coca-Cola Puerto Rico Bottlers – Marketing Intern	2015–2016
Moschino & Jeremy Scott – PR Intern	2016–2017

**EDUCATION**

Paola received a Bachelor's in Communications and Media Studies with a concentration in new media and a double minor in Psychology and Fashion Studies from Fordham University in New York.

**CINDY VILLALTA**

Account Executive



*"I have great admiration for the Texas Lottery's commitment to invest in the community and education. To me, that makes the Texas Lottery a winner in the entertainment industry. I believe there is opportunity to strengthen the brand by connecting the Texas Lottery with its legacy in the community."*

Cindy was born to be an avid communicator and constantly finds ways to bring value to her teams. Whether asking a question or delivering a presentation, she always looks for opportunities to bring strong solutions to an assignment.

### **EXPERIENCE**

Cindy's experience includes brand management, search engine optimization, market research, and strategy implementation. Her experience has been built across diverse categories – medical, food, education, retail, and entertainment. She has worked with clients such as Voodoo Doughnut, Tempur Sealy, Choctaw Casinos & Resorts, The Salvation Army, Memorial Hermann, Capella University, and Southern Methodist University.

### **WORK HISTORY**

The Richards Group – Brand Management	2017–Present
Hill Holliday – Account Management Intern	June–August 2017
Cloud[8]Sixteen Inc. – Search Engine Optimization (SEO) Intern	January–May 2017
Account Executive – Texas Student Media–UT Austin	August–December 2016

### **EDUCATION**

Cindy is a graduate of the University of Texas at Austin with a Bachelor of Science in Advertising and a Business Foundations Certificate.

**ALVARO POLANCO**  
Jr. Account Executive



*"My dad always tells me anecdotes about going to buy lottery tickets with his grandpa. It was a special weekly tradition that my great-grandfather fulfilled until his very last years. They would change buses three times until they'd finally get to downtown Arequipa. My great-grandfather would buy one ticket, and then they were off on the journey back home. My dad buys a Texas Lottery ticket every Saturday. He says that for that short drive to the store, he goes back to simpler times with his grandpa."*

Alvaro is a native Texan with a broad worldview. With experience living in various countries, he has an adaptable spirit that thrives on positivity and attention to detail. He also likes to establish trustworthy relationships and truly understands the perspective of both his clients and coworkers.

### **EXPERIENCE**

Alvaro's experience includes a published case study on Michael Kors Ltd and their position among high-end fashion brands. The study analyzed past decisions and their effect on the fiscal year's income statement as well as explored possible steps the brand can take to refine product positioning. Alvaro also has experience in the multinational market having interned for Colgate-Palmolive in their São Paulo office (Brazilian headquarters). There he developed a consumption model that could extrapolate data from company records and automatically predict price points charged by vendors in future months.

### **WORK HISTORY**

Richards/Lerma – Brand Management	2017–Present
Colgate-Palmolive Company – Intern	June–August 2015
Hankamer School of Business – Marketing Research Assistant	2014–2015

### **EDUCATION**

Alvaro is a graduate of Baylor University with a Bachelor of Business Administration and major in Marketing.

**LINDA FLORES**  
Jr. Account Executive



*"I've always associated the Texas Lottery with my parents, who are hardworking, dedicated, and relentlessly optimistic. The lottery was something they could idealize each week that could potentially clear their financial worries and make their dream vacations a reality. Tapping into this emotion and sharing it with a broader Texas demographic will be a terrific opportunity to increase the number of Texas Lottery players."*

Linda is a very curious person. That's what drives her and why she decided to be a psychologist – she likes to understand why people do the things they do, what they think and feel, what motivates and drives them.

### **EXPERIENCE**

Linda brings years of experience as a program manager at a nonprofit organization. While her experience may be nontraditional at an advertising agency, she believes it provides a certain edge to her approach. The programs she led have impacted over 1,000 youth in the City of Dallas, and she hopes to make just as big of an impact at Richards/Lerma. She's gained invaluable experience in project management, developing client relationships and managing budgets. These skills, along with her "go-getter" attitude, help her serve as a liaison between clients and the creative team to ensure all needs and goals are met.

### **WORK HISTORY**

Education Is Freedom – Program Manager 2011–2017

### **EDUCATION**

Linda graduated from Southern Methodist University with a Bachelor of Business Administration in Marketing and Bachelor of Arts in Psychology.

**QUIM GIL**

Principal/Planning



*"What's not to like? We're talking about an iconic institution in Texas. I truly enjoy how the Texas Lottery communicates its offering. They understand Texas. I also like working for a brand that is committed to giving back to the community. And I respect all the self-imposed ethics and guardrails that the Commission has in place."*

Quim is a Catalan with Brazilian and Spanish roots who holds a Canadian passport and speaks five languages. His endless curiosity has taken him to live and work in countries such as Nepal and Russia. Since the beginning of his professional career, Quim has been focused on building effective communication strategies for iconic brands. Because he has seen many approaches to planning and advertising, he has been able to synthesize the best ideas to create a uniquely Richards/Lerma approach to brand strategy.

**EXPERIENCE**

Quim joined Richards/Lerma in 2014 and immediately brought a fresh and unique perspective to planning. He possesses a wide array of experience in advertising, brand consultancy, and research with over 20 years at agencies such as Ogilvy & Mather, McCann Erickson, and Ipsos. Clients include Clamato, Dr Pepper, Danone, MetroPCS, Anheuser-Busch, Jeep, and the Catalan Government (Generalitat de Catalunya).

**WORK HISTORY**

Richards/Lerma – Principal/Planning	2014–Present
LatinWorks – Strategic Planning Director	2013–2014
Batllegroup – Strategy Director	2012–2012
Ogilvy & Mather – Strategy Group Director	2010–2011
Ipsos Synovate – Strategy & Client Service Director	2005–2010
Added Value – Project Director	2003–2005
McCann Erickson – Account Manager	2001–2002
ESADE – MBA Candidate	1998–2001
Lauren Films – Product Manager	1996–1998

**EDUCATION**

Quim has an MBA from ESADE, one of the top business schools in Europe. He also has a Mass Media degree from Pompeu Fabra University (Catalonia) and Universidade Nova de Lisboa (Portugal).

**CARLOS RODRIGUEZ**

Account Planner



*"I think we need to change the way lottery is seen today; we need to shed a light on how fun it is to play. We need to transform it into a social behavior where people are eager to share their experiences playing because you are not only having fun, you are helping your state with each dollar you spend."*

Carlos' most prominent trait is his curiosity. That's what drives him and why he decided to pursue psychology. He likes to understand why people do the things they do, what they feel, and what motivates and drives them. Carlos brings this ability to relate to others to every assignment, helping clients connect with consumers.

**EXPERIENCE**

Carlos joined Richards/Lerma two years ago and has worked as a strategic planner for over six years. As a brand strategist, he has experience in development of creative briefs, marketing strategies, design of brand architectures, analysis of consumer research (quantitative and qualitative), and supervision of creative development. He has worked on a number of clients and categories, including Avocados From Mexico, Dr Pepper Snapple Group (Dr Pepper, Clamato and 7UP), Bud Light, Bud Light Chelada, Ram Trucks, Live Nation, The Home Depot, Pepsi, PepsiCo Foods, Johnson & Johnson, Bayer, Nestlé, and Renault.

**WORK HISTORY**

Richards/Lerma – Brand Planner	2015–Present
Zaguan Planning – Director of Brand Planning/Owner	2013–2014
ZEA BBDO – Senior Brand Planner	2012–2013
ARS DDB – Senior Brand Planner	2011–2012
Publicis Venezuela – Strategic Planner	2010–2011
Concept McCann Erickson – Strategic Planner	2009–2010

**EDUCATION**

Carlos received a Bachelor of Arts in Psychology from the Universidad Católica Andrés Bello.

**SARA MICHAEL**

Account Planner



*“Education runs in my family. My grandfather was an elementary school principal, and my mother is a kindergarten teacher. Through two generations of educators, I understand the challenges public schools face to receive adequate funding and consider myself a champion of education. I do not gamble, but I appreciate the support the lottery provides students and teachers.”*

Sara has a natural curiosity for people, their thoughts, perceptions, attitudes and behaviors. She never assumes that everyone’s experiences are like her own and is particularly interested in those whose experiences are different from hers. This recognition has led her to ground all her work in data. Nothing excites her more than opportunities to learn about people, whether it’s through syndicated or primary research.

### **EXPERIENCE**

In college, Sara spent a year volunteering in Latin America. Little did she know then that decision would shape her entire professional career. Her experience in Latin American markets opened an opportunity to work at her first agency where she crafted digital and social strategies for Marriott International, PlayStation, and Disney. She has a strong background in social analytics, but finds her true joy is developing brand strategy, mapping the consumer journey and understanding critical touchpoints and key messaging. As a brand planner at Richards/Lerma, she has worked to build successful brand strategies for The Home Depot and LALA.

### **WORK HISTORY**

Richards/Lerma – Brand Planner	2017–Present
Internet Referral Center – Supervisor/Portuguese Lead	2012–2014
Nobox – Consumer Insights Analyst	2010–2012

### **EDUCATION**

Sara received a Bachelor of Arts in Communications from Brigham Young University.

**ALDO QUEVEDO**

Principal/Creative



*“What I like most about the Texas Lottery is the thrill of playing. That moment before scratching the game piece or the process of going to the Texas Lottery website to check if I got all the numbers right. Even when I don’t win, I feel great that the Texas Lottery is supporting education and veterans.”*

If one trait distinguishes Aldo, it’s his passion for great ideas that are relevant and memorable. Having worked in advertising for more than two decades, Aldo brings a depth of experience at connecting people with brands. Yet he still gets excited about every new creative brief as if it were his first assignment. He believes the best work comes from a constant dedication for solving clients’ challenges. And on any given day, Aldo can be heard focusing and inspiring his team to excel on every project.

### **EXPERIENCE**

Aldo joined Richards/Lerma five years ago as Principal/Creative Director, leading all creative teams at the agency. He has worked on many iconic brands across different categories such as P&G, Pepsi, Pizza Hut, Nissan, Frito-Lay, Hershey’s, and Heineken. He oversees all creative development for every consumer touch point – TV, radio, out-of-home, retail and in-store materials, digital and social media. Current clients include Dr Pepper, Clamato, The Home Depot, Bud Light, Chrysler, MetroPCS, and Avocados From Mexico. Aldo also led the 2017 digital and social media efforts for the Super Bowl on behalf of Avocados From Mexico that involved concept development, digital production, influencer strategy and community management.

### **WORK HISTORY**

Richards/Lerma – Principal/Creative	2012–Present
Dieste Inc. – President/Chief Creative Officer	1996–2012
Ogilvy, Mexico – Creative Director	1990–1996

### **EDUCATION**

Aldo received a B.A./Communications Sciences from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Mexico.

**FLOR LEIBASCHOFF**

Creative Director



*"I like the opportunities the Texas Lottery brings to the table. It brings hope for many and excitement for most. Its support and commitment to Texas is outstanding and makes me want be a part of that commitment too."*

Flor strongly believes in the power of ideas and how they can help create solutions and results for clients. She is very curious, always trying to see beyond an assignment and uncovering how she can take it to the next level. Let's just say Flor loves a good challenge. And for her, the Texas Lottery is an amazing one.

**EXPERIENCE**

Flor has over 16 years of experience leading and creating work for a number of clients – 7-Eleven, Nissan, Goya, Frito-Lay, Smirnoff, Pepsi, Gatorade, Xoom.com, Southwest Airlines, Procter & Gamble, McDonald's, Sprint, Boost, The Home Depot, LALA, Dr Pepper, and Avocados From Mexico. Her duties include copywriting, creative direction, and supervising production.

**WORK HISTORY**

Richards/Lerma – Creative Director/Copywriter	2015–Present
Inspire – Creative Director/Copywriter	2014–2015
Housewife Ideas – Owner/Creative Director	2013–2014
Dieste – Creative Director/Copywriter	2002-2013
Agulla & Baccetti – Copywriter	January–December 2001
Del Campo Nazca Saatchi & Saatchi – Copywriter	2000–2001
Pari-Renault – Jr. Copywriter	1999–2000

**EDUCATION**

Flor has a Bachelor's in Creative Copywriting/Advertising from La Escuela Superior de Creativos Publicitarios and a Master's in Communication from Ditela University Seminar in Buenos Aires, Argentina.

**RUTH LOVATI**  
Art Director



*"I like the fact that the Texas Lottery gives a share of earnings to education and veterans. That speaks volumes to me. Modern, simple Millennial messages would get me excited about participating in more Texas Lottery games!"*

Ruth is a fast learner and takes pride in practicing her craft by creating and exploring art and design both inside and outside the agency. She loves staying relevant and knowledgeable about creative work and applies those learnings to her everyday projects for clients.

### **EXPERIENCE**

Ruth joined Richards/Lerma in 2016 and focuses her time on developing ideas for TV, social media, design/layouts, and print for clients such as LALA, The Home Depot, Avocados From Mexico, Dr Pepper Snapple Group, Encanto Pops, and MetroPCS.

### **WORK HISTORY**

Richards/Lerma – Art Director	2016–Present
National Breast Cancer Foundation – Graphic Design & Social Media Intern	Spring 2016
TracyLocke – Art Director Intern	June–August 2015
White Rock Lake Weekly – Art Producer	2011–2016

### **EDUCATION**

Ruth received a Bachelor of Fine Arts in Communication Design from the University of North Texas, Dallas, and holds an Associate of Arts Degree from Collin College.

**SAMUEL MELGAR**  
 Copywriter


*"Without a doubt, lotteries are one of my favorite product categories to work in!"*

Samuel is a highly strategic copywriter and an invaluable resource to the agency. Although he doesn't like to boast about it, many of the campaigns he has created throughout his career have received recognition and honors for their effectiveness and creativity.

### EXPERIENCE

Samuel has over 15 years of experience in developing integrated and digital campaigns for local, regional and global markets. He has worked across a number of categories with brands such as Toyota, Procter & Gamble, Diageo, US Bank, Cigna, Ace Home Center, BellSouth, Telefonica, U.S. Army, New York Lottery, and Tinka Lottery.

### WORK HISTORY

Richards/Lerma – Sr. Copywriter	2017–Present
McCann Worldgroup, NY – Associate Creative Director	2015–2016
Y&R/Red Fuse, NY – Sr. Copywriter	2013–2015
Independent Consultant – Sr. Copywriter	2012–2013
GlobalWorks Group, NY – Sr. Copywriter	March–August 2012
Conill/Saatchi & Saatchi, Los Angeles – Sr. Copywriter	July–December 2011
Acento Advertising, Los Angeles – Sr. Copywriter	May–July 2011
Publicidad CAUSA, Lima – Associate Creative Director	2007–2010
Y&R, Lima – Associate Creative Director	2004–2007
Leo Burnett, Lima – Copywriter	February–November 2000
Quorum/Saatchi & Saatchi, Lima – Copywriter	2000–2004

### EDUCATION

Samuel graduated from the Instituto Peruano de Publicidad (IPP), Lima, Peru, with a specialty in Advertising. He also received a diploma from the Manager Executive Education Program from the Universidad Peruana de Ciencias Aplicadas, Lima, Peru, with an emphasis in organizational behavior, enterprise consultancy, motivation strategies and organizational climate.

**LUIS ENRIQUEZ**  
ACD/Art Director



*"The Texas Lottery is a very exciting and challenging product that I still haven't had the chance to work with but I would love to work on!"*

Luis has a keen eye for detail and enjoys tackling creative challenges. He works well as part of a team or on his own, which allows him to effectively impact different types of projects for a variety of clients.

### **EXPERIENCE**

Luis has over 18 years of experience working on local, regional, and global promotions, direct marketing, TV, radio, print, digital, and social media. The clients he has worked on include The Home Depot, LALA, Dr Pepper Snapple Group, AT&T, Procter & Gamble, Bimbo Bakeries USA, Dallas Symphony, Siemens Mobile, Latino Cultural Center in Dallas, and Bancomer.

### **WORK HISTORY**

Richards/Lerma – ACD/Art Director	2016–Present
Dieste – Art Director	2008–2016
Legion Advertising – Art Director	2004–2008
McCann Erickson, Mexico City – Art Director	1999–2004

### **EDUCATION**

Luis received a Bachelor of Arts in Graphic Design from the Universidad Iberoamericana, Mexico City.

**MADELEINE GLENSKI**

Copywriter



*"I really appreciate how the Texas Lottery gives so much money to Texas education and veterans. I think that's an incredible thing that many people don't know about or easily forget."*

Madeline is known as caring and passionate, which are qualities she brings to her writing every day. She has a heart for what she does and will not settle until she has done the best job she can.

### **EXPERIENCE**

Madeline does it all. Her daily work consists of writing for social media, rich media ads, standard display ads, landing pages, full websites, branding copy, radio, TV, emails, blogs, press releases, in-store displays, and presentation decks. Some of the clients she has worked on are Avocados From Mexico, Dr Pepper, The Home Depot, MetroPCS, Bud Light Chelada, LALA, Encanto Pops, ESPN Events, Michaels, Shell, Wholly Guacamole, Think Energy, Daikin, Low T Center, Lincoln Motor Company, and Interstate Batteries.

### **WORK HISTORY**

Richards/Lerma – Copywriter	2017–Present
Ansira – Copywriter	2016–2017
Ardent Creative – Intern/Copywriter	2015–2015
Sq1 – Intern/Copywriter	2015–2015
PytchBlack – Intern/Graphic Designer	2014–2014

### **EDUCATION**

Madeline received a Bachelor of Arts in Graphic Design and Minor in Studio Art with an emphasis in Photography from Texas Christian University, Fort Worth, Texas.

**FRANCISCO CARDENAS**  
Digital Strategy Director



*"My interaction with the Texas Lottery historically has been occasional scratch-off games, but when the jackpots get big, I feel compelled to play. What I like the most about the Texas Lottery is what it does for Texas and Texans."*

Francisco (Pancho) works across all disciplines to deliver ideas and communication solutions for clients in the digital space. He believes that the way the world is "wired" today, thinking digitally is a necessity. He views his role as connecting the dots digitally and pushing ideas to innovative levels.

### **EXPERIENCE**

Francisco's entry into advertising was as a creative. He started as a copywriter for brands such as Southwest Airlines, AT&T, Pepsi, Pizza Hut, Frito-Lay, and Washington Mutual. Eventually, he became executive creative director of a digital agency in Mexico City. His clients included Audi, Porsche, Procter & Gamble, Banamex, and Hasbro. He was drawn back to Texas to lead the digital strategy team and work at Richards/Lerma for clients such as MetroPCS, Dr Pepper Snapple Group, Bud Light Chelada, and Avocados From Mexico.

### **WORK HISTORY**

Richards/Lerma – Digital Strategy Director	2015–Present
Dieste Inc. – Director of Digital Strategy	2012–2015
Lead2Action – Executive Creative Director	2010–2012
Nueve por Nueve S.C. – Director/Managing Partner	2008–2010
Zertior – New Business Strategist	2008
Dieste Harmel & Partners – Associate Creative Director	2002–2007
Lapiz, Leo Burnett – Copywriter	2000–2001

### **EDUCATION**

Francisco has a Bachelor of Science in Advertising from the University of Texas at Austin. He also holds an MBA in Sports Marketing and Management from Universidad Europea in Madrid, Spain.

## **OVIDIO HINOJOSA**

Programming Specialist



*"The Texas Lottery makes me think of my mom. She would let my brother and me help her scratch the tickets she bought. It's a great memory for me, especially since my mom still buys lottery tickets, hoping for that big win."*

Ovidio is always hungry for knowledge. While he employs best practices to elevate his work, he also understands when to break away from them in order to bring innovation forward.

### **EXPERIENCE**

Ovidio has worked on Facebook, TruGreen, Terminix, MetroPCS, Texas Instruments, Takis, Drobo, and Toni & Guy. His experience also includes playing a role in the development of the #AvoSecrets Super Bowl campaign for Avocados From Mexico, which won multiple awards, including Best Real-Time Activation at FIAP and an Excellence Award from the Association of National Advertisers (ANA) in the Digital/Social/Mobile category. Ovidio is also skilled at SEO and SEM.

### **WORK HISTORY**

Richards/Lerma – Social Strategist/Programming Specialist	2016–Present
Splash Media – Social Strategist/Programming Specialist	2014–2016
Golin – Social Strategist/Programming Specialist	2013–2014
Splash Media – Social Strategist/Programming Specialist	2012–2103

### **EDUCATION**

Ovidio holds a Master of Science in Marketing/Advertising and Branding from the University of Texas at Dallas and a Bachelor of Arts in English/Creative Writing from the University of North Texas.

**MELISSA SINKOSKI**

Principal/Director of Finance and Operations



*"I love the greater purpose the Texas Lottery serves in terms of benefiting veterans and public education. Getting to be a part of that would be an honor."*

Melissa loves numbers and enjoys getting into the minutia of all projects, reports, and summaries. She is admired at the agency for discipline, following process and rules, and always striving to do what is right. She holds herself to a very high standard, which is reflected in the work she does as well as her management style.

**EXPERIENCE**

Melissa brings more than 22 years of agency experience across a variety of disciplines. She has worked with clients such as the U.S. Army, The Home Depot, Coca-Cola, FCA, Western Union, Burger King, Procter & Gamble, and Ortho-McNeil Pharmaceuticals.

**WORK HISTORY**

Richards/Lerma – Principal/Director of Finance and Operations	2013–Present
Richards/Lerma – Director of Account Management	2011–2013
Melissa Garcia Spa Azul – Owner	2009–2011
Mercury Mambo – Experiential Agency/GAD	2008–2009
Cultura – Account Director	2004–2008
The Cartel Group – Account Supervisor	2000–2004
Wilshire Homes – Sales & Marketing	1999–2000
Sosa, Bromley, Aguilar & Associates – Media Supervisor	1995–1999

**EDUCATION**

Melissa holds a Bachelor of Arts in Political Science from Baylor University, Waco, Texas.

**CELESTE PONCE**

Finance Manager



*"What I like about the Texas Lottery is the opportunity it provides to create great advertising for an all-inclusive market that ultimately benefits Texas education."*

Celeste is wired for details and numbers. What drives her every day is ensuring that all financial processes and reporting are working accurately and on a timely basis. She believes that every single detail matters. With over 20 years of experience in billing, financial, and administrative process, Celeste's talents have strengthened and streamlined work processes for many clients.

**EXPERIENCE**

Celeste joined Richards/Lerma shortly after the agency's inception and manages all financial billing and reporting for clients such as The Home Depot, Avocados From Mexico, MetroPCS, Dr Pepper Snapple Group, Bud Light, and Bud Light Chelada. Her depth of experience with government clients (U.S. Army, U.S. Census) and retail brands (JC Penney, AT&T) is an area of expertise that allows her to work closely with all account teams to ensure accuracy.

**WORK HISTORY**

Richards/Lerma – Finance Manager	2011–Present
Cartel Creativo Inc. – Contracting Specialist	2000–2010
The Bravo Group/Y&R – Administrative and Financial Assistant	1999–2000
Cartel Creativo Inc. – Account Coordinator	1994–1999

**EDUCATION**

Celeste possesses an Executive Assistant/Secretary Diploma with emphasis in Accounting Principles.

**DANNY VALDERRAMA**

Billing Coordinator



*“What I like most about the Texas Lottery is the fact that they have contributed so much money toward Texas education and the Texas Veterans Commission. Since 1992, the Texas Lottery has contributed over \$19.7 billion to Texas education. I feel that focusing on this and promoting it actively would encourage more people to take part in the Lottery.”*

Danny is an experienced product manager and analyst capable of taking both new and existing products through the entire life cycle, including defining strategy, road map and vision. He possesses a strong background in supporting existing products through market analysis and financial forecasting.

**EXPERIENCE**

Danny brings a vast background of experience to the agency. While at Jetstream of Houston, he oversaw the development of marketing publications such as product information, training packets, brochures, spec sheets, and product launch packages. He also contributed to their website design and assisted in managing social media channels. Additionally, Danny designed product sell sheets for Xtralight to promote new and existing products to customers.

**WORK HISTORY**

Self-Employed – Owner/Project Manager	2016–2017
Jetstream of Houston – Associate Prod. Manager	2015–2016
Upper 90 Indoor Soccer – Business & Development/Gen. Manager	2013–2015
Xtralight – Business Analyst	2012–2013

**EDUCATION**

Danny holds an MBA in Finance and Accounting from the University of Houston–Clear Lake and Bachelor of Arts in Advertising and Mass Communications from Texas State University in San Marcos.

**MATIAS SADA**

Executive Producer



*"More than winning, I like the fact that the Texas Lottery helps communities across the entire state of Texas. Although I really enjoy winning."*

Matias always has a deadline to meet. He finds the best way to balance his demanding work is with a positive approach and never-ending smile. Matias credits being a husband and a father of two boys with his ability to be ready for any challenge, regardless of the size of the project.

**EXPERIENCE**

Matias joined Richards/Lerma as a producer three years ago and brings over 20 years of experience working with creative teams and production companies. From social videos to complex TV campaigns, Matias has collaborated with clients such as Procter & Gamble, Unilever, FCA Group, MetroPCS, Anheuser-Busch, Dr Pepper Snapple Group, Avocados From Mexico, Coca-Cola, Telecom Argentina, Renault, and MTV.

**WORK HISTORY**

Richards/Lerma – Executive Producer	2014–Present
Dieste – Copywriter/Producer	2003–2014
Agulla & Baccetti – Copywriter	2000–2002
La Produ – Producer	1999–2000
Diesel Production – Producer	1998–1999

**EDUCATION**

Matias has a Bachelor's in Media Production/Communications from Ort University in Buenos Aires, Argentina.

**CESAR JASSO**

Producer



*"I like the fact that anyone who plays the Texas Lottery has an equal chance at winning."*

Cesar is a team player who enjoys collaborating with others and facing challenges. He believes that determination and perseverance, two qualities that define him, are crucial for producing the best work possible for clients.

### **EXPERIENCE**

Over the past seven years, Cesar has produced work for clients such as Brinker International, Kodak, FC Dallas, and World Wildlife Fund. His experience makes him skilled at managing teams of all sizes, negotiating with vendors, planning productions, handling budgets, and maintaining schedules.

### **WORK HISTORY**

Richards/Lerma – Producer	2017–Present
Slice Media LLC – Producer	2010–2017
International Studies Abroad	January–August 2010

### **EDUCATION**

Cesar earned a Bachelor of Liberal Arts from Texas A&M University in College Station.

**PAOLO LINARES**

Producer



*"It is exciting to play the lottery, and I really like the fact that it supports Texas education and veterans. I think it's important to make people aware of this and to find ways to target a new generation with a fresh and exciting product!"*

Paolo considers himself a creative and visual person. He has always been intrigued about what happens behind the scenes of movies, music videos and photographs. As a content producer, Paolo brings technical knowledge and a creative flair for creating all content.

**EXPERIENCE**

Paolo joined Richards/Lerma in 2017 with over five years of experience working in film and broadcast production. His daily focus is bringing content to life for social media, live broadcast production, and editing. He has worked with clients such as Avocados From Mexico, MetroPCS, Clamato, Discovery Networks, HGTV, Style Network, Spike Network, Florida Department of Education, and the University of Florida.

**WORK HISTORY**

Richards/Lerma – Producer	2017–Present
Freelance Filmmaker	2016–2017
Digital Worlds Institute at UF – Cinematographer	January–August 2016
Freelance Filmmaker	2014–2015
AMS Pictures – Assistant Editor	2012–2013
Freelance Filmmaker	2011–2012

**EDUCATION**

Paolo received a Bachelor of Science in Film from Full Sail University in Winter Park, Florida.

**JILL NATOWITZ**

Proofer/Translator



*"I like the fantasizing before buying a ticket. What would I do with the money? Who could I help? What would I change in my own life and others'? I like the excitement of comparing my numbers to the winning numbers and being happy for big winners. I have a few friends who I only see once a year, and getting tickets together is one of our traditions. In addition, as the daughter of a professor and veteran as well as a librarian, I couldn't be happier with the good causes the lottery supports."*

High standards define Jill in everything she does, especially when it comes to work. She always strives to do the best job she can and to make sure the end product is the best it can be.

**EXPERIENCE**

Jill has over 20 years of experience as a proofreader, copy editor, and translator. Most of that experience is in the field of advertising for clients such as Nissan, Pizza Hut, New York Lottery, PepsiCo, Southwest Airlines, Methodist Hospitals of Dallas, Turner Broadcasting, and many more. This work included everything from TV, radio, and print to digital platforms, with copy ranging from nutritional information, contest rules, and other legal documents to songs, informal tweets, and Facebook posts.

**WORK HISTORY**

Jill Natowitz – Translator/Copy Editor	2015–Present
Dieste – Translator/Copy Editor	2001–2014
TLPartnership/TracyLocke – Copy Editor	1995–2000

**EDUCATION**

Jill has a Bachelor of Arts in French and Spanish, a master's in Computer Education and Cognitive Systems as well as a degree in translation and certificates in French and Spanish as foreign languages.

**RODRIGO VALLEJO**

Media Director, Ro2 Media



*"I love the emotion that the lottery brings to life. I think advertising is also a field of emotions and excitement. Although there is always the challenge of providing great results, being emotional, playful, creative, and effective is a combination that has provided great results in my career, and I would love to do it for a brand as emotional as the Texas Lottery."*

Rodrigo's approach has always been entrepreneurial in nature. He lets the business objectives define the goals for advertising efforts. His media knowledge and experience are based on keeping the greater business goal as a guide and always making the dollar investment work toward that greater goal. Rodrigo believes every day offers new opportunities to learn, innovate, and develop ideas and executions that benefit clients.

**EXPERIENCE**

Rodrigo has over 15 years of marketing, advertising, and media strategy experience, both in the U.S. and Latin America. His specialty is strategic media planning and buying, and he is an expert at understanding general and multicultural markets and how to effectively reach them. Rodrigo has worked on large brands such as AT&T, MetroPCS, JCPenney, Western Union, Nationwide Insurance, Southwest Airlines, BBVA Compass Bank, Jarritos, Mission Foods, Bimbo Bread, and Avocados From Mexico. Additionally, he has partnered with local and regional clients such as the Water Conservation District for Dallas and Fort Worth, Reunion Tower in Dallas, Earth Day Texas, and Don Carro.

**WORK HISTORY**

Ro2 Media – Media Director	2014–Present
TruMC – Media Director	2011–2014
Camelot Communications – Media Director	2008–2011
Dieste – Media Supervisor	2003–2008

**EDUCATION**

Rodrigo received a Master of Business Administration from the University of Dallas and a Bachelor of Arts in Business from the Metropolitan University in Caracas, Venezuela.

**KATHY ALEXANDER**

Media Supervisor, Ro2 Media



*"The Texas Lottery feeds the American Dream of a better life for players. I've personally found that investing a few dollars a week in either scratch-off games or the lottery feeds my daydreams just as movies do, only for less money."*

Kathy loves different intellectual challenges, viewing them as opportunities to leverage her highly honed skills while learning something new. Every time she finds a solution that provides positive results for a client, she feels it adds to her personal growth as well. Her diverse experience allows her to approach media as one element within the marketing toolbox vs. acting as an isolated discipline.

**EXPERIENCE**

Kathy brings over 35 years of experience in media planning, buying, management, and analysis at agencies and the corporate level. She has worked in categories as diverse as QSR, beverages, snack foods, beer, financial services, home products, retail, telecommunications, political, movies, concerts, and military recruitment. She has done extensive work marketing specifically to Hispanic consumer segments.

**WORK HISTORY**

Ro2 Media – Media Supervisor	2017–Present
Camelot Communications – Media Account Director	2011–2016
SpotPlus/SpotPlus y Mas – Media Director	2002–2011
Pizza Hut, Inc. – Media Director	1988–2002
Asher & Associates – Media Supervisor	1987–1988
Foote, Cone & Belding – Sr. Media Planner	1981–1987

**EDUCATION**

Kathy holds a Bachelor of Science in Consumer Textiles from the University of California, Davis.

**JESSICA ARVELO**

Media Planner, Ro2 Media



*"I'm always up for working on noble causes. I like the games and the emotions that the Texas Lottery brings, but I feel extra motivated knowing how beneficial my effort on this brand would be for society."*

Jessica is a strategic thinker. It's a skill that serves her well as she successfully creates and implements media plans for key clients. She always displays a positive approach to media challenges, and her analytic mind creates ideas and proposals that deliver positive results.

**EXPERIENCE**

Jessica started her career at McCann Erickson in Venezuela. She then moved to the U.S. where she worked on the Bimbo Bread, MoneyGram, and Marinela accounts for multicultural and general markets. She has also worked on the State Fair of Texas developing and executing plans for Hispanic media and PR, achieving great results the last four years. She has extensive experience planning media and has had the opportunity to learn and develop her digital knowledge and skills even more at Ro2 Media.

**WORK HISTORY**

Ro2 Media – Media Planner	2012–Present
Legion Advertising – Media Planner	2011–2012
ADC – Media Planner	2003–2011
McCann Erickson – Assistant Media Planner	1998–2003

**EDUCATION**

Jessica has an Associate Degree in Marketing from the University of Dallas and a Bachelor of Arts in Marketing from Instituto Universitario de Nuevas Profesiones, Caracas, Venezuela.

**JUANITA FIERRO**  
Jr. Media Planner, Ro2 Media



*"I'm excited about this chance to work with The Texas Lottery! I believe my passion and dedication will definitely help in the development of media plans and the motivation of our team to provide outstanding media strategy and executions."*

As a highly motivated, hardworking, and organized publicist and media planner, Juanita brings her experience to ensure that all the planning processes and trafficking of materials run smoothly.

### **EXPERIENCE**

Juanita is experienced in creating of media plans, POVs, flowcharts, advertising, and promotional materials. She coordinates media activities, performs media analysis, and prepares and negotiates advertising contracts for clients such as Avocados From Mexico, Dallas Water Utilities, Tarrant Regional Water District, Reunion Tower, Mission Foods, and Liberty National Insurance, among others.

### **WORK HISTORY**

Ro2 Media – Jr. Media Planner	2015–Present
AM Coppiano – Media Supervisor	2011–2012
Global Corp Services – Media Planner	June–October 2010
Industria Licorera de Caldas – Media Assistant	January–May 2010

### **EDUCATION**

Juanita received a Bachelor of Arts in Advertising from Universidad Católica de Manizales, Manizales, Colombia, an Associate degree in Fashion/Marketing, from El Centro College, Dallas, Texas, and a Certificate in Visual Merchandising from El Centro College.

**KARLA GONZALEZ**  
Jr. Media Planner, Ro2 Media



*“What I like about the Texas Lottery is that it is something fun and exciting for everybody. It gives a lot of people something to look forward to every week!”*

Karla enjoys fast-paced accounts that require detail and organization across multiple channels, whether TV, radio, print, digital, or social media. She adapts quickly to changes and works hard to build trusted relationships with clients.

### **EXPERIENCE**

Karla joined Ro2 Media in 2016. Her daily responsibilities include media traffic and project management, client management, and promotions project management for a variety of clients. She has worked on brands such as Southwest Airlines, Wrangler, Western Union, Texas Beef Council, Tabasco, and Chiquita bananas.

### **WORK HISTORY**

Ro2 Media – Jr. Media Planner	2016–Present
Cinco Media – Account Supervisor	2007–2011
Dieste – Account Supervisor	1999–2007

### **EDUCATION**

Karla earned a Bachelor of Arts in Communications/Broadcast Management from the University of Texas at Arlington.

**NORBERTO ZYLBERBERG**

Founder and Creative Director, Socialissima



*"Being out of the business for almost a year – after working on the Texas Lottery for eight years – allowed me to play with a fresh perspective and feel how most Texans feel. I like the fact that the Texas Lottery continues to help Texans enjoy the thrill of playing while also assisting veterans and educational programs."*

Norbi leads his team with a passion that allows for great and effective creative output. He prides himself on fostering meaningful relationships, which have allowed him to connect with clients across different levels of their organizations. Whether meeting with a client or creating new messaging, his goal is to always bring a fresh perspective.

**EXPERIENCE**

Over 20 years in advertising has allowed Norbi the privilege to work with clients such as the Texas Lottery, Domino's Pizza, InBev, Starbucks, Pepsi, Target, Mars, Wrigley's, Hyundai, Miller Lite, U.S. Cellular, Mountain Dew, ESPN, History Channel, Cine Las Americas, Hennessy, Kimberly-Clark, the Austin Convention Visitors Bureau, Special Olympics Texas, Cervezas Calavera, MassMutual, Cemex Global, and Interjet Airlines, among others. He has developed ideas for traditional TV, radio, out-of-home, experiential, social media, digital, and stackable content on multiple platforms.

**WORK HISTORY**

Socialissima – Founder/Creative Director	2016–Present
LatinWorks Marketing – SVP/Group Creative Director	2002–2016
People, Biceps, and JWT Argentina – Senior Copywriter	1995–2002

**EDUCATION**

Norbi holds an MBA in Communications from the Universidad de Buenos Aires, a Social Media Management certificate from Georgetown University, a certificate in Master Seminar /Digital Acceleration from Hyper Island, and a Bachelor's in Copywriting/Advertising from La Fundación in Buenos Aires, Argentina.

**SHARON CHORTEK**

Production Services



*"I think Scratch-off tickets make birthday cards even more special. I enjoy the excitement of playing, and I like sharing the fun with others. I appreciate the fact that the Texas Lottery supports education and veterans."*

Sharon loves producing, and it shows. It might sound clichéd, but just ask anyone who knows her. From job open to job complete, she brings an extreme passion for the work. Her collaborative mindset, ability to find creative solutions to complex issues, and ever-present sense of humor really set her apart.

**EXPERIENCE**

After starting her career as an agency staff producer, Sharon was senior vice president and director of broadcast production at a national advertising agency when she decided to work on a freelance basis. With over twenty years' experience as a freelance producer of broadcast and video content, she has worked on national brands such as AT&T, American Airlines, Comcast, DirecTV, Fiat FCA, Frito-Lay Inc., JCPenney, Kimberly-Clark, Lowe's, Subaru, Taco Bell, and The Home Depot. In addition, Sharon has worked with the Texas Lottery Commission for over ten years, producing general market, Hispanic and urban advertising. Sharon has a wealth of expertise that enables her to not only execute the creatives' vision but also exceed her clients' expectations.

**WORK HISTORY**

Self-Employed – Freelance Senior Broadcast/Content Producer	1997–Present
Publicis, Dallas – SVP/Head of Production	1986–1997
TracyLocke Advertising – Broadcast Producer	1982–1986
Venet Advertising – Assistant Producer	1978–1982

**EDUCATION**

Sharon received a Bachelor of Science in Psychology from the State University of New York at New Paltz.

**BETH WAMMACK**

Partner/Chief Operations Officer, GDC



*"I love the excitement and possibilities that come with the Texas Lottery. We can make the Texas Lottery business stronger by connecting with new players and highlighting the excitement of winning."*

With more than 20 years of agency experience, Beth brings valuable insight from numerous marquee national, regional, and local accounts. Her strategic guidance and day-to-day operational leadership are vital to the agency. She prides herself on being an activator, putting things into motion that create an energetic work environment. Beth's ability to lead, construct, and manage teams from an operational standpoint is matched only by her vast knowledge and understanding of marketing and advertising.

**EXPERIENCE**

Beth has worked with a variety of clients and industries. She was responsible for acquiring Sprint/Nextel and leading the account's national field marketing efforts for more than four years. She also has an impressive background in healthcare marketing, spearheading the strategic development of Baptist Health System and Resolute Health. One might think healthcare and telecommunications are vastly different, but Beth has learned that in today's evolving marketplace healthcare has to be as nimble as retail.

**WORK HISTORY**

GDC Marketing & Ideation – Partner-COO/Strategist	1998–Present
Taylor West Advertising – Account Executive	1996–1998
Groves Cheney Guerra – Account Executive	1994–1996
The Atkins Agency – Account Coordinator	1993–1994

**EDUCATION**

Beth received a B.A. in Radio/TV/Film from the University of Arkansas at Little Rock.

**CAREY QUACKENBUSH**

Partner/Chief Ideation Officer, GDC



*"The Texas Lottery is more than a game. To those who play, it represents hope, anticipation, and dreaming. To residents of Texas, it represents a funding source to support those who teach and those who serve. What I like most about the Texas Lottery is that while it promises the opportunity to change the lives of a select few winners, in reality, it impacts the lives of all Texans."*

Above all else, Carey is adaptable. This is very important in the work he does because it grounds him in the understanding that there is more than one way to approach challenges. In an industry where things can change in a matter of seconds, being able to adapt, refocus, and move forward into the new reality has been highly valuable to him.

**EXPERIENCE**

Carey brings a mix of creative experience, leadership, marketing, and business strategy to the table for all GDC clients. Beginning his career as a copywriter at BBDO Houston, Carey gained a great deal of experience working across all media for national clients, including Pizza Hut, Texaco and Havoline. He then took that experience to the San Antonio market and quickly worked his way into a leadership position as a creative director and eventually GDC Chief Ideation Officer, developing award-winning and strategically sound campaigns for clients such as Sprint/Nextel, Time Warner Cable, American Cancer Society, Procter & Gamble, Rackspace Hosting, the Texas Department of Transportation, the Bill & Melinda Gates Foundation, San Antonio Spurs, CPS Energy, San Antonio Water System, Don't mess with Texas and multiple TxDOT driver safety campaigns, and American Cancer Society.

**WORK HISTORY**

GDC Marketing & Ideation – Partner/Chief Ideation Officer	2017–Present
GDC Marketing & Ideation – Chief Ideation Officer	2015–2017
GDC Marketing & Ideation – Creative Director	2011–2015
GDC Marketing & Ideation – Director of Business Development	2009–2011
GDC Marketing & Ideation – Associate Creative Director	2007–2009
Creative Civilization – Associate Creative Director	2006–2007
Creative Civilization – Copywriter	2004–2006
BBDO Houston – Copywriter	2001–2004

**EDUCATION**

Carey received a Bachelor of Science in Advertising from the University of Texas at Austin and an MBA with a concentration on Marketing Management from the University of Texas at San Antonio.

**CHRISTIAN MUNOZ**

Experiential Manager, GDC



*"I play the Texas lottery for two reasons. It's fun to scratch off the cards in anticipation that this one ticket could potentially change my life. It's also great knowing that my money goes toward helping Texas education. It's important to me that we create the best learning environments for our children. I think most people play to win, but a great consolation prize they might not be aware of is that the Texas Lottery also helps our veterans and schools."*

Christian is able to adapt to all situations, whether its running/leading an event or working on projects at the office. There is no situation he cannot handle. Being strategic allows him to efficiently get through the process and ensure everything goes according to plan. If it's not, he will create new strategies to ensure maximum potential for all events.

**EXPERIENCE**

Christian develops key business partnerships to support his clients' promotional efforts, which result in consistently successful outreach campaigns. His experiential marketing experience includes managing activations for Don't mess with Texas, VR Experience, and the Texas Department of Transportation's (TxDOT) statewide impaired program, impaired dodgeball game, and "Be Safe. Drive Smart" campaign, among others. He has managed over 40 activations to date across the entire state of Texas.

**WORK HISTORY**

GDC Marketing & Ideation – Tour/Event Manager	2017–Present
Sylvie Shurgot Real Estate – Property Manager	January–June 2017
Gunn Nissan – Internet Sales Consultant	2015–2016
Magnolia Audio Video – System Designer/Supervisor	2012–2015
Sears Outlet Store – Sales Supervisor	2011–2012

**EDUCATION**

Christian received a Bachelor of Arts in Sociology from The University of Texas at San Antonio.

**LISA GOMEZ**  
Media Supervisor, GDC



*"I like that the Texas Lottery helps the Texas community in education, which is important in shaping our future. I also like that the Texas Lottery creates a sense of hope and excitement in changing lives and communities through its support of education and veterans."*

Lisa is an analytical thinker with a passion for the work she does. She enjoys learning and teaching others about new technologies and innovations in the media landscape. This allows her to bring fresh ideas or to repurpose traditional views for clients. She loves using analytical data to create accurate profiles of the audiences she seeks to reach.

### **EXPERIENCE**

Lisa is a media professional with almost 20 years of experience in planning and buying traditional and digital media, both nationally and locally. She began her career working on accounts such as QuePasa.com and Taco Cabana, exposing her to general and Hispanic market media planning and buying principles. At GDC, Lisa leads the media team on high-profile accounts, including the Texas Department of Transportation, the Witte Museum, CPS Energy, Texas CASA, and more.

### **WORK HISTORY**

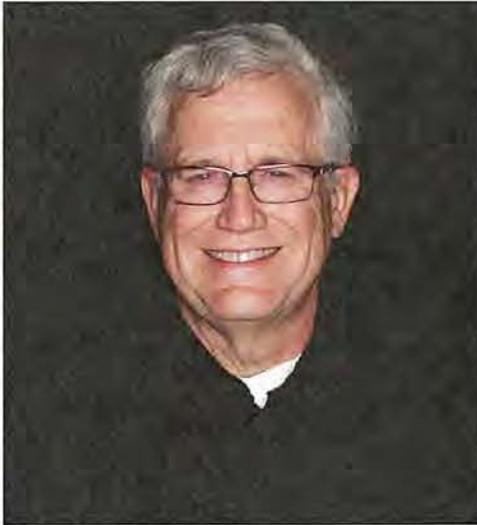
GDC Marketing & Ideation – Media Supervisor	2012–Present
Proof Advertising – Media Director	2011–2012
GDC Marketing & Ideation – Planner	2003–2011
Media Rare – Media Planner/Buyer	1998–2003

### **EDUCATION**

Lisa received a Bachelor of Arts in Marketing from The University of the Incarnate Word, San Antonio, Texas.

**TOM LEWIS**

Finance Manager, GDC



*"It helps pay for education. It's easy to play. It's fun and exciting to get a group together when the pot is large."*

If something's out of order, Tom notices. His attention to detail obviously comes in handy in leading the accounting team at GDC. And the best part is, he streamlines the paperwork process to keep the message in the numbers clear and concise. Tom is generous with his knowledge as he guides GDC's accounting and administrative team members through the intricacies of the billing process.

**EXPERIENCE**

Tom has a wide range of experience in various career fields that allows him to take the best ideas and implement them in a cost-effective manner. When he came to GDC in 2009, he brought extensive experience from the Interpublic Group family of agencies. Clients he has worked with include Wachovia/Wells Fargo, Baptist Health System/Tenet, Marshalls/TJ Max, H-E-B, Mi Pueblo, Sprint, Procter & Gamble, and Hanes.

**WORK HISTORY**

GDC Marketing & Ideation – CFO	2009–Present
Mullen/Lowe – VP, Controller	2001–2008
Long Haymes Carr – Controller	1992–2001
Brendle's – Assistant Controller	1985–1992
Price Waterhouse – Auditor	1983–1985
U.S. Army – Auditor	1978–1980

**EDUCATION**

Tom holds a Bachelor of Science in Accounting from Virginia Polytechnic and State University.

**LANNETTE ESPINO**  
Media Buyer, GDC



*"I really enjoy the thrill that comes with playing the Texas Lottery, but more importantly, I love the fact that it supports education and veteran initiatives in our community."*

Lannette is an achiever, problem solver, and influencer. These strengths enable her to work seamlessly with the account team as she manages and organizes client budgets, invoicing, and billing.

**EXPERIENCE**

Lannette brings years of experience buying media for clients in the telecom industry. She applies this knowledge as she works alongside the agency’s media team and account executives to manage invoice reconciliation for all buys, complete monthly accrual reports, and resolve any discrepancies. As staff accountant, she ensures accuracy for clients and support for all agency team members.

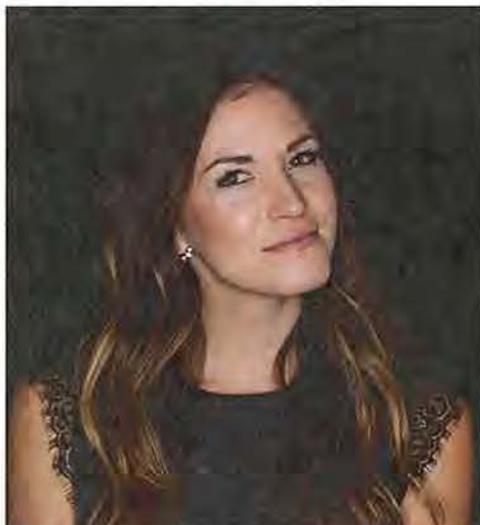
**WORK HISTORY**

GDC Marketing & Ideation – Media Buyer/Staff Accountant	1999–Present
Newton Electric – Office Manager	1986–1999

**EDUCATION**

Lannette holds certificates in Accounting courses from Amarillo Community College.

**WHITNEY URIBE**  
Jr. Media Buyer, GDC



*"I like the impartial opportunity that the Texas Lottery brings to Texans – evoking a sense of unity, chance, and thrill."*

Creativity and communication are two attributes that most concisely summarize Whitney's strengths, passions, and personality. She brings them to life in her role at the agency by keeping communication clear and straightforward and inserting new ideas into each project.

### **EXPERIENCE**

Whitney's recent experience with the North San Antonio Chamber of Commerce overseeing event marketing, advertising, and brand identity efforts gives her the ability to provide comprehensive oversight of daily account activity for GDC's clients. She has managed multiple campaigns for the Texas Department of Transportation (statewide impaired driving, Don't mess with Texas and environmental), providing day-to-day communication, collaboration with agency departments, and timely delivery of objectives, social media planning, and grassroots activation research/execution.

### **WORK HISTORY**

GDC Marketing & Ideation – Account Executive/Jr. Media Buyer	2017–Present
North San Antonio Chamber of Commerce – Vice President Marketing & PR	2014–2017
Young Hollywood – Marketing Manager/Online Media	2013–2014
Warren Miller Entertainment – Production Assistant/Broadcast Media	2012–2012

### **EDUCATION**

Whitney received a Bachelor of Arts with Honors in Journalism: Broadcast News from the University of Colorado, Boulder. She also holds a CAPA International Education certificate from London, UK, and participated in the Leadership Lab, San Antonio, Texas.

**GABRIELA MCCLAIN**

Jr. Media Buyer, GDC



*"The Texas Lottery has a great reputation within the community. I admire its continued support of Texas public education via the Foundation School Fund and Texas Veterans Commission via yearly extensive monetary contributions."*

Gabriela is a highly strategic, goal-oriented, and motivated individual with a penchant for resolution. This drives her to analyze and dissect all aspects of her daily work to create fluidity, efficiency, and measurable success. Her bilingual skills enhance her ability to manage and monitor clients' Hispanic media needs. And her strong background in media buying, account management, and media sales means that she anticipates client needs and offers solutions that might otherwise be missed.

**EXPERIENCE**

With more than five years of experience in media buying and sales, Gabriela has developed a clear knowledge of all aspects of the media buying process. Her media experience includes buying, account coordination, and maintenance, reconciling and quality control of broadcast, print, digital, out-of-home, and over-the-top on the local, statewide, and national level. She has worked on San Antonio Scorpions, Bush's Chicken, American Sinus Institute, CPS Energy, Texas Department of Transportation, Texas CASA, and Cornerstone Credit Union League.

**WORK HISTORY**

GDC Marketing & Ideation – Jr. Media Buyer	2017–Present
Univision Communications – Account Coordinator	2015–2017
Helen Thompson Media – Media Buyer	2014–2015
Univision Communications – National Account Coordinator	2013–2014
Katz Media Group – National Sales Assistant	2012–2013

**EDUCATION**

Gabriela attended the University of Texas at San Antonio and is currently attending San Antonio Community College seeking required coursework to obtain a bachelor's degree in business.

**LINDA COUNTRYMAN**

Staff Accountant, GDC



*“Playing the Texas Lottery is a way to support Texas education while having a little fun. It’s exciting to get a group together to buy a block of tickets when the Mega Millions prize gets really big. We can strengthen the overall Lottery business by better messaging how it helps our state’s education and veterans.”*

Linda loves the excitement that comes with the ever-changing role that agency work requires. One week it can be negotiating insurance rates, the next onboarding a new employee, and the next tracking down purchase orders and vendor charges for client billing. And she continues to grow as technology changes how the agency manages paperwork and negotiates with vendors.

**EXPERIENCE**

Linda left her career in broadcast news over 20 years ago to be one of GDC’s first employees. As the agency has grown, she has influenced all areas of administration, accounting, and human resources. Linda is well-rounded and brings experience working with a variety of clients such as P&G, Sprint, HEB, and TxDOT.

**WORK HISTORY**

GDC Marketing & Ideation – HR Manager & Billing 1995–Present

**EDUCATION**

Linda holds a diploma from St. Francis Academy.

**SELINA SMITH**

Billing Coordinator, GDC



*"The Texas Lottery is all about having fun.  
The buildup of anticipation is exciting!"*

Selina is passionate about her work. She believes in responsibility, consistency, achieving goals, and loves problem solving. Her strong interaction with people and a love for numbers make her the perfect liaison between the accounting department and GDC's project management staff. She works closely with the agency's account service team to manage financial reports and accounts payable records for clients and vendors on a daily basis as she tracks expenses and meets billing deadlines.

**EXPERIENCE**

Selina's accounting experience includes managing payables (agency and production) and reports, data entry, and maintaining financial reports and records. She is also a notary public for the state of Texas. The clients she has worked on are the Texas Department of Transportation, Texas CASA, CPS Energy, San Antonio Economic Development Foundation, Baptist Healthcare Systems, Texas Dow Employees Credit Union, WellMed Medical Group, and Cornerstone Credit Union League.

**WORK HISTORY**

GDC Marketing & Ideation – Billing Coordinator	2014–Present
Leading Edge Personnel – Admin. Assistant/Data Entry	2013–2014
San Antonio Current – Admin. Assistant	2012–2013

**EDUCATION**

Selina received a Bachelor of Arts in Mass Communication and English from Texas State University, San Marcos, Texas.

## **6.2 AGENCY STAFF STRUCTURE**

6.2.1 Proposers must submit an in-depth staffing plan, by department, for the Texas Lottery account. However, the Texas Lottery is not predisposed to any particular staffing model. Proposers are encouraged to propose staffing plans that offer the best value to the Texas Lottery, both in terms of account service and adequate staffing. If a different individual will not be assigned to each position, the Proposer must explain how service levels will be maintained and staffing needs met. This section identifies the staffing positions that have been previously used for the Texas Lottery account.

Richards/Lerma will be the lead agency across all of the disciplines required in the request for proposal:

- Account Management
- Strategic Planning
- Creative
- Production
- Digital and Social Media Strategy
- Experiential Management
- Billing
- Translations

We have identified four disciplines we will subcontract to other parties. The Subcontractors are partners we have worked with for less than 5 years, and who have passed an in-depth vetting process. These partners will be held to the same high standards we hold ourselves to, and we are confident they will deliver excellent work and meet every expectation.

- Media Planning – Ro2 Media
- Media Buying – GDC Marketing & Ideation
- Experiential Execution – GDC Marketing & Ideation
- Social Content – Socialisssima

6.2.2 Proposers must provide a list of personnel to be assigned to the Texas Lottery account and include resumes for all personnel, including name, title and job description. Lists and resumes provided by Proposers must include, at a minimum, information regarding length of time spent doing present duties or related duties; a description of duties; projects accomplished, including scope and name of customer's company; and relevant continuing professional education. If duties were performed for an employer other than the Proposer, the Proposal must indicate that employer's name.

We have read, understand, and will comply with section 6.2.2.

**6.2.3 Account Service Staffing.** Proposers shall identify the key personnel who will provide direction or oversight to the Texas Lottery account, at a minimum, to include an Account Director. The Proposer must demonstrate that these individuals have the background and experience required to coordinate the Proposer's activities for the Texas Lottery account, including special projects and activities. The Account Director should have a minimum of five (5) years account service experience, the Account Supervisor should have a minimum of three (3) years account service experience, and Account Executives should have a minimum of one (1) year of experience. Account Service staff may include the following:

- Principal/Brand Management – Salma Gottfried (25 years)
- Account Director – Tommy Thompson (20 years)
- Account Supervisor – Yamile Mahomed (12 years)
- Account Supervisor – Derek Diaz de Leon (6 years)
- Account Executive – Paola Aguayo (2 years)
- Account Executive – Cindy Villalta (2 years)
- Junior Account Executive – Alvaro Polanco Jr. (1 year)

**6.2.4 Account Planning.** Each Proposer must describe the staffing levels and functions of its account planning department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. The Account Planner should have a minimum of three (3) years of relevant market analysis experience. Account Planning staff may include the following:

- Principal/Planning – Quim Gil (22 years)
- Account Planner – Carlos Rodriguez – (9 years)
- Digital Strategy Director – Francisco Cardenas (21 years)
- Account Planner – Sarah Michael – (4 years)

**6.2.5 Media Staffing.** Each Proposer must describe the staffing levels and functions of its media department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. The Media Director should have a minimum of five (5) years of relevant media experience and the Media Supervisor should have a minimum of three (3) years of relevant media experience. Media staff may include the following:

- Media Director – Rodrigo Vallejo (15 years)
- Media Supervisor – Kathy Alexander (35 years)
- Media Planner – Jessica Arvelo (14 years)
- Junior Media Planner – Juanita Fierro (6 years)
- Media Supervisor – Lisa Gomez (14 years)
- Media Buyer – Lannette Espino (18 years)
- Junior Media Buyer – Gabriela McClain (4 years)

- Junior Media Planner – Karla Gonzalez (15 years)
- Junior Media Buyer – Whitney Uribe (7 years)
- Finance Manager – Tom Lewis (37 years)
- Staff Accountant – Linda Countryman (22 years)
- Billing Coordinator – Selina Smith (4 years)

**6.2.6 Creative Staffing.** Each Proposer must describe the staffing levels and functions of its creative department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. The Creative Director should have a minimum of five (5) years of relevant creative experience. Creative staff may include the following:

- Principal/Creative – Aldo Quevedo (28 years)
- Creative Director – Flor Leibaschoff (18 years)
- Associate Creative Director/Art Director – Luis Enriquez (18 years)
- Art Director – Ruth Lovati (3.5 years)
- Copywriter – Samuel Melgar (17 years)
- Copywriter – Madeleine Glenski (3.5 years)
- Copywriter – TBD (5 years)

**6.2.7 Production Staffing.** Each Proposer must describe the staffing levels and functions of its production department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. Production staff may include the following:

- Principal/Director of Finance and Operations – Melissa Sinkoski (22 years)
- Executive Producer – Matias Sada (18 years)
- Producer – Cesar Jasso (7 years)
- Producer – Paolo Linares (5 years)
- Print Producer – TBD (5 years)
- Translator – Jill Natowitz (20 years)
- Programming Specialist – Ovidio Hinojosa (5 years)

**6.2.8 Experiential Event Staffing.** Each Proposer must describe the staffing levels and functions of its experiential department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. The Experiential Manager should have a minimum of three (3) years of relevant experiential event and marketing activation negotiation and deliverable management experience. Experiential staff may include the following:

- Experiential Manager – Christian Munoz (5 years)

**6.2.9 Finance Staff.** Each Proposer must describe the staffing levels and functions of its finance department, and identify the personnel, including the number of years of experience for each, who will be assigned to the Texas Lottery account. Finance staff may include the following:

- Principal/Director of Finance and Operations – Melissa Sinkoski (22 years)
- Finance Manager – Celeste Ponce (18 years)
- Billing Coordinator – Danni Valderrama (5 Years)

### **6.3 AGENCY STAFF POSITION DEFINITIONS**

Proposers shall identify all staff who will fill the following positions. If the Proposer plans to subcontract for these services, hourly rates should be included in the cost proposal, Attachment H.

Please refer to section 6.2 for specific team members who will work on the Texas Lottery business.

#### **6.3.1 Account Service**

**Account Director** – Serves as the brand steward to determine the Texas Lottery’s strategic brand objectives, assess the brand position and manage the internal team. Ensures the timely development and execution of plans, campaign, and projects to assure goals are achieved. Supervises the development of advertising activities in accordance with the Texas Lottery’s objectives and budget limitations. Provides oversight of all account service staff.

**Account Supervisor** – Initiates planning that will lead to execution of advertising activities. Consults with creative, media, production and experiential staff to be certain Texas Lottery objectives are clearly understood to develop strategic solutions. Supervises Account Executives.

**Account Executive** – Manages projects from start to finish and develops a strong working rapport to meet the Texas Lottery’s needs and goals on every project.

**Junior Account Executive** – Provides support to the account service team to ensure projects are on strategy, meet deadlines and are within budget.

**Account Coordinator** – Provides administrative support to the account service team.

We have read, understand, and will comply with section 6.3.1.

### 6.3.2 Account Planning

**Account Planner** – Leverages industry-available research and other information and inputs to bear on accounts in order to bring a greater degree of consumer insight to advertising.

**Assistant Account Planner** – Responsible for drafting, preparing and executing elements of the account planning process under the guidance and direction of an account planner.

We have read, understand, and will comply with section 6.3.2.

### 6.3.3 Media

**Media Director** – Oversees management of all media strategies, planning and buying. Presents media plans, as needed, including objectives, strategic research and demographic analysis. Supervises the development and execution of media plans including digital and social.

**Media Supervisor** – Responsible for all media activities, including developing the media plan and selecting media to achieve marketing objectives within a predetermined budget. Supervises planners and buyers and serves as Texas Lottery contact.

**Media Planner** – Implements the process and assists with the management of the strategic and tactical execution of all media channels. Evaluates composition of a wide range of media vehicles to determine which would most effectively reach the intended audience.

**Junior Media Planner** – Responsible for drafting media recommendations and plans, gathering statistics and studying demographic data and consumer profiles. May also track and analyze advertising expenditures.

**Media Buyer** – Negotiates with media sales representatives to buy and place advertising for the Texas Lottery, calculates rates and budgets and ensures that ads appear as specified. Also responsible for negotiating added-value opportunities.

**Junior Media Buyer** – Assists the Media Buyer with negotiating media, entering rates and makegoods and following up on invoice discrepancies.

We have read, understand, and will comply with section 6.3.3.

### 6.3.4 Creative

**Creative Director** – Oversees all creative projects and staff and is responsible for the overall quality of work produced by the creative department. Manages creative projects from concept to completion and translates marketing objectives into creative strategies. Leads and directs the creative team in the production of advertising and marketing concepts. Responsible for creative execution across all channels, including digital, social and experiential.

**Associate Creative Director** – Responsible for the preparation and production of advertising and marketing concepts. Establishes and maintains high internal quality by originating creative ideas, managing project timelines, adhering to creative briefs and ensuring consistency of strategic branding.

**Art Director** – Develops advertising creative concepts in partnership with Copywriters. Possesses solid understanding of the market dynamics of assigned products.

**Copywriter** – Responsible for original concepts and producing clear, concise and convincing writing with grammatical and material accuracy. Conceives and executes advertising consistent with the agreed strategy.

We have read, understand, and will comply with section 6.3.4.

### 6.3.5 Production

**Production Manager** – Manages production of a variety of projects. Duties include project planning, workflow management, vendor negotiations, cost control, quality control and logistical coordination.

**Producer** – Responsible for development and coordination of broadcast, digital and social productions.

**Production Coordinator** – Provides logistical support to production department. Duties may include tracking and scheduling projects and invoice management.

**Print Producer** – Manages and oversees logistics of printed marketing materials, including point-of-sale, out-of-home, signage, press checks, etc. Responsible for developing effective and efficient print solutions while controlling cost and ensuring quality control.

**Traffic Manager** – Coordinates scheduling, processing and trafficking of advertising and other creative projects. Serves as a liaison between outside vendors and agency departments to coordinate efficient and timely creative project processing. Responsible for creating project schedules and job estimates, maintaining records of action and workflow on projects and routing projects for approval.

**Project Manager** – Oversees projects from inception to completion, including creation of project schedules, managing resources for deliverables and ensuring adherence to the approval process.

**Translator** – Provides translation services primarily for Spanish with limited translation requirements for Chinese and potential translation for other languages.

**Programming Specialist** – Provides programming support to execute against marketing goals including the development of microsites, interactive components, etc.

We have read, understand, and will comply with section 6.3.5.

### 6.3.6 Experiential

**Experiential Manager** – Creates and coordinates activities related to the development, negotiation, execution and evaluation of experiential events and marketing activations. Duties may include developing budgets, negotiating events and managing event activation deliverables.

**Experiential Coordinator** – Assists with coordinating the activities related to the development, execution and evaluation of experiential events and marketing activations. Duties may include acquiring event permits; securing emcees and/or ambassadors, and promotional giveaways; overseeing set-up and tear-down of event location; ensuring availability of proper equipment and supplies; and coordinating activities. May assist in on-site management of event activation deliverables.

We have read, understand, and will comply with section 6.3.6.

### 6.3.7 Finance

**Finance Manager** – Responsible for ensuring the accuracy of all account transactions and the preparation of all financial reports. Maintains adequate controls of receipts and disbursements.

**Staff Accountant** – Oversees all billings and accounting functions on the account.

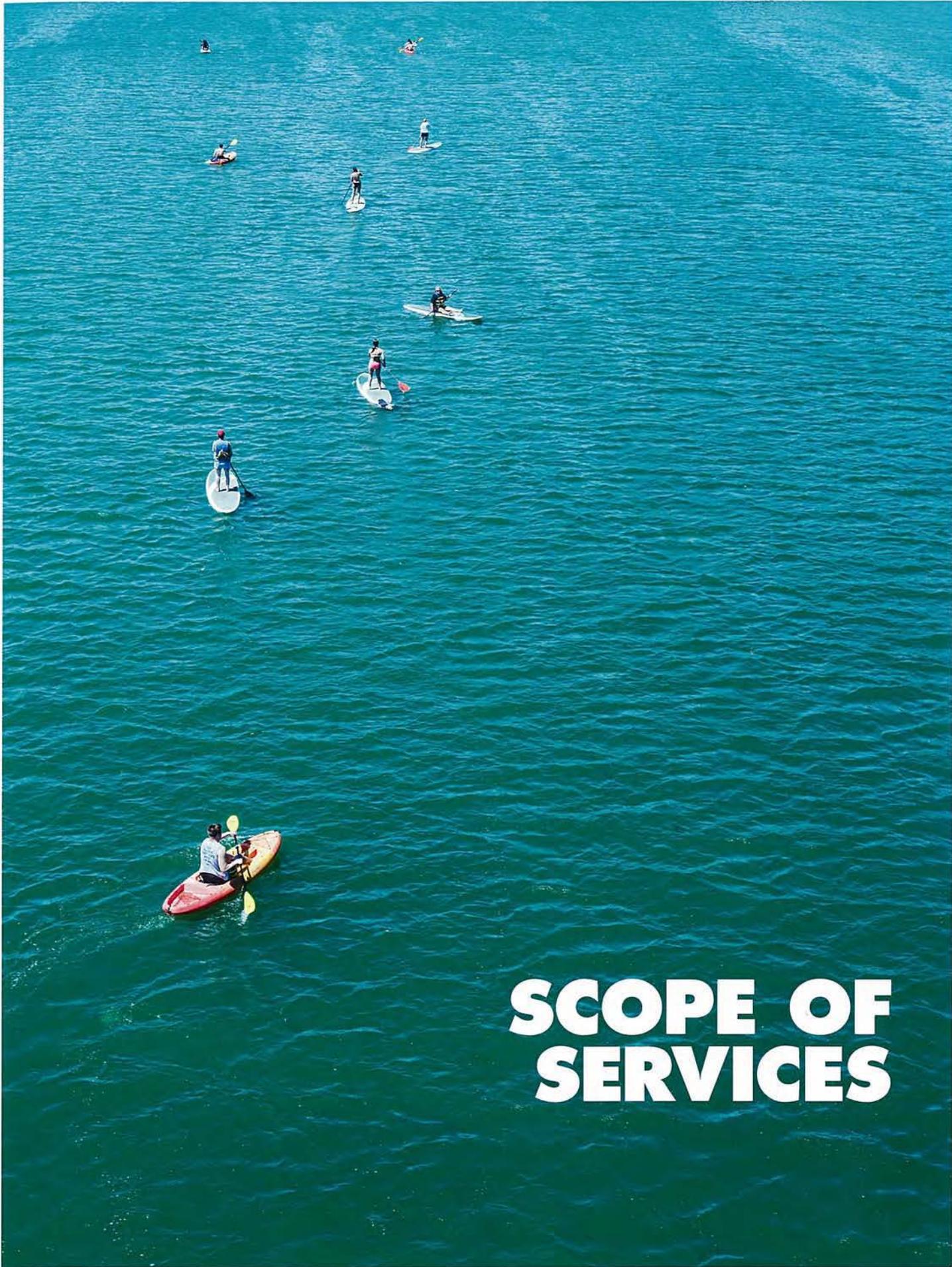
**Billing Coordinator** – Collects, assembles and processes invoices, estimates and overall accounting documentation.

We have read, understand, and will comply with section 6.3.7.

## 6.4 AGENCY STAFF POSITION CHANGES

The Successful Proposer shall provide the same Account Director and Supervisor for all Texas Lottery projects.

We have read, understand, and will comply with section 6.4.



# SCOPE OF SERVICES

## **7.1 GENERAL DESCRIPTION OF SERVICES AND REQUIREMENTS**

7.1.1 The Successful Proposer must be able to perform the functions of a full-service advertising agency, including, but not limited to, branding, creative concepting, production, planning and buying of broadcast, print, digital, social, out-of-home media, experiential event/marketing activations, and translation services.

Under the Texas Public Information Act Sections 552.104 and 552.110, we claim the response to this section as confidential.

Confidentiality Claimed  
§552.104/552.110

**7.1.2 The Successful Proposer shall exhibit a thorough understanding of Texas as a minority-majority state and must demonstrate the ability to effectively reach and speak to all adult (ages 18+) Texans.**

As stated in section 4.1.1, saying that Texas is a minority-majority state is just the tip of the iceberg when it comes to understanding a population so diverse and rich in culture and attitudes. This section gives us the opportunity to unveil the rest of the iceberg, and with it, the discovery of the best ways to reach them with relevant messages.

Demographically, it's easy to see why Texans are so complex. Four out of ten Texans are Hispanic<sup>1</sup>, and Texas is growing faster than California in terms of Hispanic population, adding 233,000 Hispanics between 2015 and 2016. This accounted for a 21% increase in the nation's entire Hispanic population<sup>2</sup>. While Latinos usually take the spotlight in Texas in terms of population size, the African American population increased by 84,000 between 2010 and 2011, making it the highest increase in any state<sup>3</sup>. And Asian Americans don't fall far behind. They had the highest percentage growth in terms of population size from 2010 to 2016, where they grew 35.5%, which is twice that of Hispanics and three times more than African Americans<sup>4</sup>.

Looking at Texas psychographically is even more interesting. Thanks to our proprietary research with the University of Texas at Austin, as we have already discussed in Section 4.1.1, we know that Texas is an Omnicultural majority society, as 61.2% of Texans share this mindset, which makes them cohesive yet diverse and proud of its complexity. The Omnicultural mindset allows Texans to function competently between multiple cultures. They not only accept them, but are constantly looking how to incorporate these cultures into their own lives. When we explore the mindset by ethnicity, we find that 66% of Hispanics 18+, 42% of non-Hispanic Whites, 68% of Asians 18+ and 53% of African Americans 18+ identify as Omnicultural<sup>5</sup>. And as Omniculturals they share multiple traits. If we want to establish an effective connection with them, we need to know who they are.

Here is some of what we know about who Omnicultural Texans are:

- **Sociable:** Those that share the Omnicultural mindset tend to have a larger group of close friends, and those friends tend to be more diverse.
- **Proud:** There is no need for numbers to know that Texans are proud of their heritage. “Don’t Mess With Texas” and “Everything is bigger in Texas” are just some examples of that.
- **Confident:** As seen in our *Millennials Deconstructed* series of white papers, those that share this mindset tend to feel more control over their lives and therefore are more confident in their decisions and actions.
- **Experience Seekers:** Always seeking the latest hangout, new flavors of ethnic restaurants and the unknown band that gives amazing shows, Texans are eager to experience things that are fresh.
- **Leaders:** Texans are always at the forefront. They are early adopters of technology and are not afraid to show the world how things are done. They are proud of their ways and lead by example.

This knowledge of the Omnicultural traits has impacted the strategic direction of successful campaigns we have created for clients, such as Dr Pepper, Clamato and MetroPCS, and has resulted in some of our most relevant work with results that went beyond goals and expectations.

Specifically for Dr Pepper, a soda that was born here in Texas, we needed to connect with an audience that didn’t drink Dr Pepper. So our objective was to incentivize trial. As we developed our strategy, we learned that a key aspect of the product is that its taste is impossible to describe. You have to taste it yourself. We took advantage of this fact and combined it with a trait we knew was important for our audience. They were “Experience Seekers.” This led to a campaign that showcased different sensorial experiences that attempted to describe or mimic the taste of Dr Pepper to somebody who had never tried it, appealing to their sense of curiosity for different experiences. The results so far have been great, and currently Dr Pepper is the only brand in the category showing growth in shares and dollars spent in Texas.

For Clamato, we had the special challenge of transforming a very traditional and classic drink into one that could be enjoyed and shared among a wider audience in Texas and California. Clamato, a tomato cocktail, is the main ingredient in the infamous Mexican drink Michelada, where Clamato is paired with beer for a refreshing beverage. We defined the “Demand Space,” or the most effective moment of consumption for Micheladas, as gatherings of large groups of friends, normally of six to twelve people. We did this by relying on one of the traits shared by the Omnicultural mindset, sociability, which states that Omniculturals have larger groups of friends. Our Clamato campaign was targeted at

Hispanics, mainly Mexicans or those of Mexican descent in Texas and California. The goal was for them to share Micheladas made with Clamato among non-Hispanic/non-Mexican friends to increase its appeal to a larger audience. We did this by focusing on the Omnicultural trait we knew was most important for this specific task – pride in the drink. We knew that as Omniculturals and Texans, they would feel proud to share this unique experience with their non-Mexican friends.

The results have been incredible. The brand achieved double-digit incremental growth during 2016, which made Clamato the only brand in the tomato juice category to have any type of growth. We were also able to tackle some major objectives by increasing consumption frequency and awareness of Micheladas among Hispanics and non-Hispanics. We continue to build on this success and are proud to bring a traditional Mexican drink to the general market.

For Richardson-based MetroPCS, we needed to grow the consumer base in a category where the pool of new users is almost nonexistent (96% of U.S. population own a phone). In order to do this, we appealed to a couple of traits that are key in both Omniculturals and Texans – their confidence and leadership. Through additional research we dug deeper into what being confident was for them in the wireless category. It was about knowing how to get the best deals, and not only that, it was about being recognized as those few who really understood wireless companies and their deals. The campaign beautifully expressed their sentiment through the message “Wireless Figured Out,” putting all of the recognition on those consumers who knew that, with MetroPCS, they could beat the system. Results have been outstanding. MetroPCS has grown above projections by increasing consumers who switch from others providers to our network.

You can find more detailed information on some of these cases in Section 8.2.

Richards/Lerma will always produce work with the Omnicultural Texan mindset and energy, assuring that we not only create relevant messages for Texans, but also consider who they are as individuals. To us, this is essential for creating a strong brand connection with Texans.

Sources:

<sup>1</sup> U.S. Census Bureau. (2016). Quick Facts Texas. Retrieved on November 17, 2017, from <https://www.census.gov/quickfacts/TX>

<sup>2</sup> Krogstad, Jens Manuel (2017, August 03). U.S. Hispanic population growth has leveled off. Pew Research Center. Retrieved November 17, 2017, from <http://www.pewresearch.org/fact-tank/2017/08/03/u-s-hispanic-population-growth-has-leveled-off/>

<sup>3</sup> Aaronson, Becca (2012, May 17). On the Records: Texas One of Five “Minority-Majority” States. The Texas Tribune. Retrieved November 17, 2017, from <https://www.texastribune.org/2012/05/17/on-the-records-majority-texas-minority-races/>

<sup>4</sup> Ura, Alex (2017, June 22). Texas Hispanics behind half of state’s growth since 2010. The Texas Tribune. Retrieved November 17, 2017, from <https://www.texastribune.org/2017/06/22/texas-hispanics-behind-half-states-growth-2010/>

<sup>5</sup> *Millennials Deconstructed* (2017). Richards/Lerma.

### 7.1.3 Proposers are required to discuss their in-house advertising research capabilities, and/or access to advertising research resources for the Texas Lottery.

*"Data is clay; a raw material for strategists to shape.  
Strategy demands a great artist working with quality raw materials"*  
– Quim Gil, Principal/Planning

Our approach to partnering with clients relies on two pillars. We strive to help them grow their businesses overnight and brands over time. And we strongly believe that the right creative expressions can deliver returns for brands rapidly. But that does not free us from the challenge of building a brand on a foundation clients can stay true to over time.

In order to build brands with a solid foundation, we support our strategic thinking with data that guides our decisions and helps analyze plan results. We are proud of our ability to subscribe to all the resources you would expect an agency of our size to have. But more importantly, we've developed proprietary tools to help with planning and evaluation, and we have a staff of analytics experts to interpret data and use it to optimize our plans.

From a brand strategy perspective, we use a mix of secondary research (Simmons, Mintel, Iconoculture, among many others) and primary research – qualitative and quantitative – to delve into the minds of consumers. Our tools, along with the analytic minds that use them, let us discover the most powerful insights that guide strategies.

From a digital standpoint, we aim to leverage first-, second- and third-party data to find the right person at the right time and integrating within each digital experience's unique environment.

To execute digitally, we leverage the latest resources to predict and stay on top of trends. With subscriptions to comScore, eMarketer and Forrester (to name a few), we place our clients at the forefront of innovation.

Most media plans are based on flat, traditional demographics. In contrast, when developing audience definitions, we use syndicated research tools (MRI, Simmons and Scarborough) to derive insights around an audience's demographics, media engagement, behaviors, psychographics and product usage. To harness the full potential of these tools, we have developed proprietary tools to localize syndicated data for more intelligent planning.

A primary benefit of these tools is that they create a prototype of a client's customers that can be measured using syndicated research tools. It also allows us to create our own detailed consumer definitions. This is an important advantage versus using syndicated tools alone, which are based on category use and not necessarily geographically representative or proportionate to actual customers.

For many clients, we focus on designing local, individual, market-by-market media plans by taking advantage of each market's unique marketing and media differences. This is in marked contrast to the traditional approach, which takes a "national" plan and forces it to fit cookie-cutter fashion into an advertiser's local markets. However, there are common trends across Texans that help build a base of parameters to later customize by market.

Our research capabilities do not end after the strategy phase. We want to measure how everything performs. We take a personalized approach to reporting for all our clients. Because every client's needs and issues are different, we tailor how we measure the results before launching a campaign. Once we launch, we look at every available piece of data to figure out what's working and what's not.

We use everything from brand tracking studies to media mix modeling to our proprietary online tracking suite, ART™ (Automated Reporting Technology), to ensure we're delivering your objectives. We work together to agree on what we're measuring, how we're going to measure it and what we're going to do with the results to improve and increase performance.

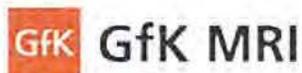
Finally, from a pure media standpoint, we use Nielsen for planning ratings to estimate delivery as well as later to provide post-buy reports and analysis to guarantee the complete delivery of the purchased media. From a digital media perspective, all KPIs are pre-defined, and with third-party auditing tools, all values are reported after the buy.

Here are just a few of the research tools at our disposal:

#### **CONSUMER SURVEYS**



Simmons National Consumer Survey reports over 60,000 data variables in over 8,000 products and 450 brands. The survey also asks consumers about media use, activities, attitudes and in-depth demographics. 25,000 people are surveyed annually. Simmons Connect consists of a digital and mobile media panel that collects online and mobile activities of panelists, such as use of mobile apps and web behaviors.



The MRI Survey of the American Consumer provides a detailed view of adult consumers in the U.S., including their media choices, demographics, lifestyles, attitudes and usage of almost 6,000 products and 550 brands. The sample consists of approximately 25,000 consumers surveyed annually.



Also known as Scarborough, the survey has information from 75 local markets about demographics, media habits, activities and shopping behavior.



The Ipsos Mendelsohn Affluent Survey focuses on high-income consumers – those in the top quarter of U.S. households based on current household income. It is a good complement to other sources of information as this is a particularly difficult cluster to reach with normal syndicated surveys. The IPSOS survey includes information about demographics, brand preferences, activities, finances and media use.

These four large-scale consumer surveys are conducted semiannually, allowing access to the biggest consumer databases providing in-depth demographics and insights on consumer behavior such as psychographics, lifestyles, attitudes and opinions. These companies and their proprietary surveys continue to evolve data-collection methods and question sets to dive further into the consumer mindset within myriad categories.

## **MARKET RESEARCH**

The Mintel logo, featuring the word 'MINTEL' in a bold, black, sans-serif font, centered within a yellow speech bubble shape.

Mintel is a leading supplier of competitive consumer, media and product research. For more than 30 years, its global intelligence network has brought together an extensive range of research data and expert analysis. Its series of market and consumer research reports provide a rigorous analysis of market landscapes and a performance forecast for a variety of categories.

The Forrester logo, which is the word 'FORRESTER' in a white, serif font, centered within a dark green oval shape.

Forrester is a research company that provides reports about technology's impact on business and consumers. Forrester Technographics Survey covers consumers' use of technology and contains data from more than 26,000 surveys completed annually.

## CONSUMER INSIGHT



The Futures Company Yankelovich Monitor provides information about the changing American consumer marketplace through survey data, reports, newsletters and thought-pieces. MONITOR draws insight from three sources: surveys, consumer observers and segment experts.



Iconoculture is a consumer research and advisory service that uses an observational-style approach to capture insights relating to consumer trends, lifestyles and behaviors. It seeks to provide a complete picture of the “why” behind current consumer behavior and where it may be heading next. Through Iconoculture, we can access a database of current and emerging trend summaries and analyses, daily consumer and market observations and client-specific webcasts.



Trendwatching.com scans the globe for consumer trends, insights and related hands-on business ideas. They rely on a network of hundreds of spotters in more than 120 countries worldwide.

## DIGITAL INSIGHT



eMarketer offers research, insights, and benchmarks on marketing in a digital world. It covers the global digital ecosystem: digital marketing, media and commerce. eMarketer has a particular interest in understanding how consumers spend their time and money and how marketers communicate with them via digital channels. Over 15,000 new charts are added every year. The charts feature aggregated data and original forecasts.



comScore measures Internet audience composition and performance. The service provides information about site users' demographics and cross-visitation activities. Ad Metrix offers a comprehensive view of online advertising campaigns and their creative elements. It has a full range of advertising metrics from expenditures, share of voice, to unique visitors, reach/frequency and GRPs.



CubeYou provides real-time interests, passions, demographics and psychographics of American consumers. They collect and record, on a monthly basis, more than 9 billion interactions of 10 million Facebook users. CubeYou users can identify an audience by choosing any combination of demographics, psychographics and brand or product interest and run that audience against products, services, famous people, media and locations.



A social media listening and brand monitoring digital platform, Meltwater is used to identify influencers, brands news, social conversations, share of voice, sentiment reports and process delivery content.



Crimson Hexagon is a social media analytics platform with social listening and influencer identification tools. Users are able to tap into billions of online conversations taking place in social media and uncover not just keywords, but vital consumer opinions and insights about companies, products, industries, consumers and competitors.

## PROPRIETARY RESEARCH



*Millennials Deconstructed* is a national representative quantitative online study of the Millennial generation used to identify Omniculturalism in the United States. In order to capture a true picture of Millennials from different ethnic backgrounds, we divided this research into three main sections: their political views, their American dream perceptions and their media interaction and perceptions. This tool is of primary importance to us, as we use it as a base for all strategic thinking for clients and their work.

## **GDC RESEARCH TOOLS**

GDC employs various media tools to aid in the planning/buying process to ensure the most efficient and effective tactics are implemented for clients. They utilize:

- Scarborough
- Media audit
- SQAD (Media Market Guide)
- Nielsen/Arbitron television and radio ratings data
- comScore
- Strata buying software to aid in managing placements, building reports and invoice reconciliation.

## **7.2 ADVERTISING SENSITIVITY**

**7.2.1** The Texas Lottery is an agency of the State of Texas, and all advertising efforts shall be conducted in a manner commensurate with the dignity and integrity of the State of Texas. Advertising should be consistent with the core values, mission and vision of the Texas Lottery. Further, in accordance with TEX. GOV'T CODE ANN. Sec. 466.110. (PROHIBITED ADVERTISEMENTS), "advertisements or promotions sponsored by the commission or the division for the lottery [must] not be of a nature that unduly influences any person to purchase a lottery ticket or number."

As a Texas-based agency, Richards/Lerma holds Texas in the highest regard and would never tarnish its image. We are in full understanding of the TEXAS GOVERNMENT CODE, and the work we develop will be in accordance to the current statute, as well as the guidelines that may be established in the future.

We have read, understand, and will comply with section 7.2.1.

**7.2.2** The following stipulations apply to all Texas Lottery advertising. Advertising should not:

- (1) Unduly influence or over promise the benefits and features of the game or infer that anything other than random chance will result in winning the game via game names, callouts, features or other game elements.
- (2) Depict or represent a change of lifestyle by presenting any Texas Lottery game as a potential means of relieving any person's financial or personal difficulty by emphasizing wins are a guarantee or substitute for employment.
- (3) Display guns, alcohol, tobacco, improper attire or imply lewd or indecent language, images or actions.
- (4) Portray product abuse, excessive play or preoccupation with gambling by glamorizing frequent or excessive play.

- (5) Imply or portray any illegal activity.
- (6) Make fun of other's pain, misfortune, impairment, or physique.
- (7) Degrade the image or status of persons of any ethnic, minority or religious group.
- (8) Show any form of cruelty and/or abuse of animals.
- (9) Exploit a person, specific group or economic class.
- (10) Create the perception that the Texas Lottery has control over where winning tickets are sold and/or purchased.
- (11) Stereotype Texans.
- (12) Solicit children.

We have read, understand, and will comply with section 7.2.2.

### **7.3 ADVERTISING PLAN**

7.3.1 The Texas Lottery will provide the Successful Proposer with a marketing strategy including planned product flights as well as an overall budget. The strategy shall clearly define goals and communication objectives. The Texas Lottery and the Successful Proposer shall meet as needed to review the goals and objectives. The Texas Lottery may modify and/or amend the goals and objectives at any time.

We pride ourselves on working closely with clients to ensure strategic alignment from the beginning of our efforts. Our long-standing relationship with retail clients such as The Home Depot and MetroPCS has shaped our client-responsive culture. We are here to serve your business while representing the voice of Texan adults. We know even the best laid-out plans must shift to respond to new market priorities and audience imperatives. As such, we are always prepared to work with you in adjusting our efforts accordingly.

We have read, understand, and will comply with section 7.3.1.

7.3.2 Advertising Plan. The Successful Proposer shall be required to develop an annual advertising plan that is consistent with the Texas Lottery's marketing strategy and must be approved in writing by the Texas Lottery. The Texas Lottery's advertising plan should reach all adult (ages 18+) Texans. Unless otherwise specified by the Texas Lottery, the advertising plan, at a minimum, must include:

- (1) Allocation of dollars by media and DMA with detailed rationale.
- (2) Projected production and agency fee costs.

(3) Measurable metrics as appropriate for each medium (i.e., impressions, GRPs, etc.).

(4) Detailed media flowchart that specifies mediums, market tiers and costs.

(5) Experiential event and marketing activation opportunities and any other topics specified by the Texas Lottery.

The advertising plan should be based on the Texas Lottery's fiscal year (FY) (September 1 – August 31). The Successful Proposer shall submit an advertising plan for FY19 no later than four weeks after the Contract execution date, or as specified by the Texas Lottery. Advertising plans will be due annually thereafter no later than May 31 or as specified by the Texas Lottery.

We have read, understand and will comply with section 7.3.2.

#### **7.4 BUDGET**

7.4.1 The level of anticipated annual Fiscal Year spending will be determined by the Texas Lottery. The budget for Fiscal Years 2018 and 2019 is \$26,633,448 annually. The Successful Proposer shall develop a cost-efficient advertising plan that is responsive to the Texas Lottery's marketing needs.

We have read, understand and will comply with section 7.4.1.

7.4.2 The Successful Proposer shall make recommendations for savings wherever possible. The budget will be reviewed as needed and shall be revised as required by the Texas Lottery.

We have read, understand and will comply with section 7.4.2.

7.4.3 The Successful Proposer shall make no commitment on behalf of the Texas Lottery without prior written approval by the Texas Lottery.

We have read, understand and will comply with section 7.4.3.

#### **7.5 REPORTS**

The Successful Proposer shall provide the following reports to the Texas Lottery in a format approved or prescribed by the Texas Lottery. The Successful Proposer shall submit reports in accordance with the deadlines below, unless otherwise directed in writing by the Texas Lottery.

We have read, understand and will comply with section 7.5.

**7.5.1 The following report is due every Wednesday:**

- **Status Report.** This report documents all current media and production jobs, projects, experiential events, reporting, and meetings. Status Report will include: job by product, media, production, status of job, timeline of job, or as prescribed by the Texas Lottery. The report should also include a section for dynamic jackpot billboard maintenance. All timelines shall include a minimum of five (5) Working Days for approval by the Texas Lottery on each stage of each job or project, unless otherwise approved by the Texas Lottery.

We have read, understand and will comply with section 7.5.1.

**7.5.2 The following reports are due by the 10th of each month:**

- **The HUB Subcontracting Plan Prime Contractor Progress Assessment Report.** This report documents monthly payments made by the Successful Proposer to subcontractors under the Contract. The report may be due prior to the 10th of the month at the request of Texas Lottery.
- **Approved Expenditure Report.** A summary of all approved expenditures to date for the current fiscal year. The summary shall indicate the total amount available in the budget and the total amount currently committed. The summary also shall include current amounts invoiced, amounts invoiced but not paid, amounts owed for services performed but not invoiced, and current amounts paid, together with spending by media and production type.

We have read, understand and will comply with section 7.5.2.

**7.5.3 The following report is due quarterly:**

- **Print Audit.** No more than thirty (30) Days following the end of each calendar year quarter, the Successful Proposer shall submit quarterly print audits. Print audits will include name of publication, (paid or unpaid) circulation, DMA, year established, publication frequency, distribution sites, and publisher information.

We have read, understand and will comply with section 7.5.3.

**7.5.4 The following reports are due on an annual basis:**

- **Fiscal Year-End Added Value Report.** The Successful Proposer shall submit a fiscal year-end summary of added value achieved as a result of the previous fiscal year's media buy no later than January 31.
- **Production Inventory Report.** The Successful Proposer shall submit a current inventory report no later than September 30 for all broadcast and digital video production storage. The report shall include the date of inventory, job name, ISCI code and description, or as otherwise prescribed by the Texas Lottery.

We have read, understand and will comply with section 7.5.4.

7.5.5 The following reports are due prior to each campaign launch as follows:

- **Media Buys.** For each campaign, actual media buys will be required at least three weeks prior to the start of each flight. All media buys must include a summary of planned and purchased goals met and any cost savings achieved. Broadcast and out-of-home shall be reported per DMA.
- **Added Value.** For each campaign, the Successful Proposer shall provide an added value placement report in accordance with section 7.7.5. Reports will be required at least three weeks prior to the start of each flight.

We have read, understand and will comply with section 7.5.5.

7.5.6 The following report is due ninety (90) Days after campaign completion as follows:

- **Post Buy Report.** No more than ninety (90) Days following the end of the campaign flight, the Successful Proposer shall provide the Texas Lottery with a post-buy report indicating whether the planned measurable metrics of each buy were achieved within budget. If the broadcast and out-of-home goals were not achieved, the report shall contain a make-good report where bonus was issued.

We have read, understand and will comply with section 7.5.6.

7.5.7 The following report is due forty-five (45) Days after each experiential activation completion as follows:

- **Post Experiential Report.** This report provides a recap of each experiential activation as prescribed by the Texas Lottery.

We have read, understand and will comply with section 7.5.7.

7.5.8 At its sole discretion and with thirty (30) days' advance written notice to the Successful Proposer, the Texas Lottery may change the due dates of any required reports listed above.

Failure to provide any reports as required (including in accordance with any revised due dates set by TLC) may result in the assessment of contract sanctions under Section 3.51.15.

We have read, understand and will comply with section 7.5.8.

7.5.9 **Ad Hoc Reports.** The Texas Lottery may require the Successful Proposer to develop advertising reports or analysis of advertising opportunities with mutually agreed upon dates for delivery.

We have read, understand and will comply with section 7.5.9.

## **7.6 CREATIVE SERVICES**

**7.6.1** The Successful Proposer shall be responsible for concepting, creation and production of Texas Lottery advertising materials, including broadcast, digital, social, point-of-sale and print advertisements, out-of-home and such other materials and projects as may be required by the Texas Lottery. The Successful Proposer also may be required to develop comprehensive integrated campaigns and to assist the Texas Lottery in developing game names, product logos, or art for other use.

We have read, understand and will comply with section 7.6.1.

**7.6.2 Creative Concepts.** The Successful Proposer shall present at least three (3) creative concepts for each campaign and, upon Texas Lottery approval of the campaign concept, the Successful Proposer shall present three (3) creative options for each medium in the campaign unless otherwise specified by the Texas Lottery. If concepts or creative options are not approved by the Texas Lottery, the Successful Proposer, at the direction of the Texas Lottery, shall be required to develop and present additional creative executions.

We have read, understand and will comply with section 7.6.2.

**7.6.3 Creative Meetings.** The Successful Proposer shall schedule creative meetings with the Texas Lottery. Unless otherwise approved by the Texas Lottery, the Successful Proposer shall provide at least five (5) Working Days' advance notice for all creative meetings. Creative meetings will be held on an as-needed basis.

We have read, understand and will comply with section 7.6.3.

**7.6.4 Timelines.** The Successful Proposer shall allow sufficient time for developing and presenting creative concepts, editing and revising selected options, obtaining final approvals from Texas Lottery staff, producing the final product, and distributing the finished product according to Texas Lottery specifications. Unless otherwise approved by the Texas Lottery, all timelines shall include a minimum of five (5) Working Days for approval by the Texas Lottery for each stage of each job or project. The Successful Proposer shall provide detailed production schedules with task milestones for each job. The Successful Proposer shall email all required materials to the Texas Lottery no later than four (4) hours before any scheduled meeting, unless otherwise approved by the Texas Lottery. The Texas Lottery will not be responsible for any additional production costs incurred as a result of the Successful Proposer's not adhering to set timelines.

We have read, understand and will comply with section 7.6.4.

**7.6.5 Creative Approvals.** The Successful Proposer shall obtain written approval from the Texas Lottery prior to producing any advertisement. When producing any creative work, the Successful Proposer shall not vary from approved scripts, story boards or print layouts without written approval from the Texas Lottery. Failure to adhere to approved scripts, story boards

or layouts may void the Texas Lottery's approval of the estimate for the project. The Successful Proposer shall incorporate all changes required by the Texas Lottery, as well as submit any other alternative creative solutions deemed prudent by the Successful Proposer. The Successful Proposer shall be responsible for all unauthorized expenses.

We have read, understand and will comply with section 7.6.5.

## **7.7 MEDIA SERVICES**

**7.7.1 Media Buying Guidelines** will be prepared by the Texas Lottery in cooperation with the Successful Proposer, and shall be agreed to by both parties in writing. The Guidelines may be updated annually or more often as necessary during the term of this Contract. The Successful Proposer shall be responsible for adhering to the Media Buying Guidelines.

We have read, understand and will comply with section 7.7.1.

**7.7.2 Negotiation and Placement.** The Successful Proposer shall be responsible for the placement and purchase of all media, including but not limited to broadcast, digital, social, out-of-home and print media. In negotiating media purchases, the Successful Proposer shall make the Texas Lottery aware of any savings that might be achieved through long-term commitments. Media placement shall be reimbursed at net cost with no mark-up. All broadcast stations are required to have a minimum ratings criteria defined by the Texas Lottery.

We have read, understand and will comply with section 7.7.2.

**7.7.3 Stewardship.** The Successful Proposer shall ensure that all media runs according to any contracts or insertion orders. This includes but is not limited to: order receipt/ input confirmation, traffic instruction confirmation, reviewing pre-log times, negotiating makegoods of comparable or greater value, etc.

We have read, understand and will comply with section 7.7.3.

**7.7.4 Placement Verification.** The Successful Proposer shall review, process invoices and address any discrepancies prior to submitting to the Texas Lottery. This includes: confirming traffic, rotation, flight dates to the purchased media channels. In addition, the Successful Proposer shall provide, at no cost to the Texas Lottery, affidavits, tear sheets or any other placement verification requested by the Texas Lottery.

We have read, understand and will comply with section 7.7.4.

**7.7.5 Added Value Media Placements.** The Successful Proposer shall negotiate added value for all media included in any Texas Lottery buy. The Texas Lottery shall establish a goal for added value media for each fiscal year.

We have read, understand and will comply with section 7.7.5.

## **7.8 PRODUCTION STORAGE**

The Successful Proposer shall store past and current broadcast and digital/social video associated with the Texas Lottery in a manner consistent with industry standards. All storage costs will be reimbursed by the Texas Lottery for actual cost only. In accordance with Section 3.14.3, the Successful Proposer shall aid in any transition of broadcast and digital video for any new arrangement or service provider, if applicable.

We have read, understand and will comply with section 7.8.

## **7.9 GOODS AND EQUIPMENT**

Notwithstanding anything herein to the contrary, after completion of the services to be provided on the Texas Lottery's behalf, the Successful Proposer shall be solely responsible for the proper disposition of all physical or tangible goods and/or equipment created in connection with the services or works provided to the Texas Lottery, and which are incidental to such services or works (e.g., props, set dressing, promotional equipment, signage, related equipment). The Texas Lottery will notify the Successful Proposer in the event that such incidental goods or equipment are to be returned to the Texas Lottery; otherwise, the Successful Proposer shall bear all storage, destruction and other costs in connection with disposition of such physical or tangible goods and equipment. Upon request of the Texas Lottery, the Successful Proposer shall be required to provide supporting documentation confirming disposal or destruction of such items. The Successful Proposer is expressly prohibited from reproducing, distributing, displaying, performing publicly, making copies or derivative works of, selling, using, re-using or otherwise conveying to other persons or entities any goods and/or equipment bearing any Texas Lottery mark without prior written approval by an authorized Texas Lottery representative.

We have read, understand and will comply with section 7.9.

## **7.10 PUBLIC SERVICE ANNOUNCEMENTS**

At the Texas Lottery's request, the Successful Proposer shall develop print and/or broadcast public service announcements and work to secure placements. The announcements will run at no charge to the Texas Lottery. The Successful Proposer shall include a detailed post-buy report.

We have read, understand and will comply with section 7.10.

## **7.11 TRANSLATION SERVICES**

Translation services may include translation in multiple languages, terminology creation and management, editing, proofreading, and cultural review. These services must be available on request. In the past, the Texas Lottery has used translation services primarily for Spanish and limited translation requirements for Chinese.

We have read, understand and will comply with section 7.11.

## **7.12 EXPERIENTIAL MARKETING**

**7.12.1** The Texas Lottery works with the Lottery Operator to select promotional selling activations at fairs, festivals, other public events and in-store retailer promotions that create awareness and interest for Texas Lottery products among adult Texans. Experiential marketing efforts are intended to increase product trial and educate new and potential players about Lottery products.

We have read, understand and will comply with section 7.12.1.

**7.12.2** At the Texas Lottery's request, the Successful Proposer shall assist in selecting, developing, negotiating and contracting for experiential activations in support of the Texas Lottery brand and products. This may include contracted services with third party vendors, equipment, supplies or other required components.

We have read, understand and will comply with section 7.12.2.

**7.12.3 Joint Promotions.** At the Texas Lottery's request, the Successful Proposer shall solicit and encourage joint advertising and promotional opportunities with potential co-sponsors. The Successful Proposer shall indicate the benefits to the Texas Lottery from any such joint promotion recommended.

We have read, understand and will comply with section 7.12.3.

**7.12.4 Free Tickets and Other Benefits.** Entitlements often carry with them an offer for free tickets to events, premium items and other special benefits. All such benefits provided in relation to experiential activations on behalf of the Texas Lottery shall be fully disclosed and documented. The Texas Lottery reserves the right to accept or reject the offer of any such items or benefits offered in association with an entitlement. The Successful Proposer may not utilize any such items for its own benefit or the benefit of other clients. No such item shall be provided to an employee of the Texas Lottery. The Successful Proposer shall maintain a listing of any or all items or benefits provided to the Texas Lottery, and shall make a recommendation for their use. Tickets, trips, premiums and other such items may be utilized for retailer incentives, for example. If, at the Texas Lottery's sole discretion, the Texas Lottery cannot make appropriate use of the items offered, it shall be the obligation of the Successful Proposer to negotiate lower rates or alternative benefits.

We have read, understand and will comply with section 7.12.4.

**7.12.5 Conventions, Trade Shows, Special Events and Meetings.** All Texas Lottery vendors are encouraged to stay current on industry trends by attending various conventions, trade shows, special events, HUB expos and related meetings. When the Successful Proposer's attendance is requested by the Texas Lottery, the Successful Proposer shall request prior written approval of expenses from the Texas Lottery. Expenses will be reimbursed pursuant to Texas State per diem rates (See Section 7.16).

We have read, understand and will comply with section 7.12.5.

### **7.13 EXPENDITURE APPROVAL**

**7.13.1** The Successful Proposer shall prepare written estimates for all expenditures and obtain prior written approval from the Texas Lottery before making any commitment on behalf of the Texas Lottery. The Texas Lottery will not be responsible for any expenditure unless pre-approved in writing by the Texas Lottery. Unless otherwise approved by the Texas Lottery, the Successful Proposer shall provide at least five (5) Working Days for all estimate approvals. The Successful Proposer shall submit estimates in a format prescribed by the Texas Lottery.

We have read, understand and will comply with section 7.13.1.

**7.13.2** For any service expenditures identified in Section 5.5.2 with an asterisk that exceed \$5,000, the Successful Proposer must obtain at least three (3) competitive bids to be used in the preparation of written estimates. In obtaining bids, the Successful Proposer must comply with the HSP requirements. The Successful Proposer shall be required to provide all supporting documentation of bids for each estimate.

We have read, understand and will comply with section 7.13.2.

**7.13.3** For any production work to be conducted outside the State of Texas, the Successful Proposer must provide written documentation that demonstrates locations or facilities within the State of Texas are not adequate for the required production.

We have read, understand and will comply with section 7.13.3.

**7.13.4 Estimate Revisions.** Revisions to approved estimates must be pre-approved in writing by the Texas Lottery. All revised estimates shall contain the cost differential, including previous approved amounts.

We have read, understand and will comply with section 7.13.4.

**7.13.5 Estimate Cancellations.** For any previously approved estimate that is cancelled, the Successful Proposer shall submit a revised closed estimate reflecting all cancelled portions of the estimate to the Texas Lottery.

We have read, understand and will comply with section 7.13.5.

## **7.14 BILLING/INVOICES**

**7.14.1** In accordance with Section 3.8 and as further described herein, the Successful Proposer shall submit invoices to the Texas Lottery following delivery by the Successful Proposer of all goods and/or completion by the Successful Proposer of all services in accordance with a signed and pre-approved estimate.

We have read, understand and will comply with section 7.14.1.

**7.14.2** The Successful Proposer shall submit invoices in duplicate every other Monday, or as prescribed by the Texas Lottery, together with supporting documentation to substantiate all expenses incurred. If the designated Monday is a State holiday, invoices will be due the next State business day. By submitting an invoice for payment, the Successful Proposer certifies that goods have been delivered and received or services have been rendered in accordance with the Contract.

We have read, understand and will comply with section 7.14.2.

**7.14.3** The Successful Proposer must include, at a minimum, or as prescribed by the Texas Lottery the following with each invoice: (i) invoice statement including the invoice number, estimate number and any line items; flight dates; amount for each invoice submitted, current billed amount and balance remaining; (ii) all approved estimates and revisions; and (iii) supporting documentation (e.g., vendor invoices, tearsheets, affidavits, etc.).

We have read, understand and will comply with section 7.14.3.

**7.14.4** No payment will be made without a signed and approved estimate. The Texas Lottery will only authorize payments upon the completion and acceptance of services or after the delivery and acceptance of goods.

We have read, understand and will comply with section 7.14.4.

**7.14.5** Production and media estimates will be closed ninety (90) Days after the completion of the production and media flight. Once an estimate is closed, no further billing can be submitted. The Successful Proposer is required to mark "Closed" on the final invoice submitted to the Texas Lottery for payment.

We have read, understand and will comply with section 7.14.5.

**7.14.6** The State's fiscal year is September 1 through August 31. Any invoices submitted after August 31 for services performed during the previous fiscal year must be submitted to the Texas Lottery no later than October 30 of the immediately following fiscal year.

We have read, understand and will comply with section 7.14.6.

7.14.7 If no final invoice is received within ninety (90) Days after the termination or expiration of the Contract, the Successful Proposer waives the right to receive any further payments.

We have read, understand and will comply with section 7.14.7.

7.14.8 Any invoices submitted that do not have all required detail to process for payment will be disputed in accordance with TEX. GOV'T CODE ANN. § 2251.042 et. seq. ("Disputed Payment"). A disputed invoice will be processed for payment as soon as possible following settlement of dispute, but no sooner than thirty (30) Days from original invoice received date.

We have read, understand and will comply with section 7.14.8.

7.14.9 The Successful Proposer shall be required to reimburse the Texas Lottery for any overpayment determined as a result of an audit or inspection of records on work performed under the Contract. At the Texas Lottery's sole discretion, reimbursement may be in the form of a credit or actual payment made by the Successful Proposer.

We have read, understand and will comply with section 7.14.9.

#### **7.15 SHIPPING/FREIGHT CHARGES**

The Successful Proposer is expected to utilize the lowest cost to safely transport its shipments. The Successful Proposer shall be responsible for all additional costs incurred by the Texas Lottery as a result of the Successful Proposer's production delay.

We have read, understand and will comply with section 7.15.

#### **7.16 TRAVEL**

The Texas Lottery does not reimburse for travel-related expenses including the Successful Proposer's hourly agency fees associated with travel for regularly held meetings at Lottery Headquarters. If the TLC requires the Successful Proposer to travel, for production, event management or any other reason, travel costs will be reimbursed pursuant to Texas State per diem rates along with the Successful Proposer's hourly agency fees. Approved travel expenses and estimated billable hours shall not be reimbursed without a prior approved estimate. Travel related to production by the Successful Proposer's subcontractor staff shall be reimbursed at State per diem rates.

We have read, understand and will comply with section 7.16.

**7.17 UNACCEPTABLE PRODUCTS**

The Successful Proposer shall be responsible for all costs for products produced on behalf of the Texas Lottery that are misprinted, produced in error or which the Texas Lottery, in its sole discretion, determines are unacceptable, together with all costs for services rejected by the Texas Lottery because of delay, or rendered in a manner inconsistent with services approved by the Texas Lottery.

We have read, understand and will comply with section 7.17.

**7.18 UNACCEPTABLE SERVICES**

The Successful Proposer shall be responsible for any costs incurred in conjunction with services provided on behalf of the Texas Lottery which are deemed unacceptable due to failure to meet deadlines that warrant services unusable, or rendered in a manner inconsistent with the services approved by the Texas Lottery.

We have read, understand and will comply with section 7.18.

**7.19 MEETINGS WITH TLC VENDORS**

Any meetings or conference calls that are held between the Successful Proposer and any of the Texas Lottery's vendors must be approved by the Texas Lottery. Texas Lottery staff may attend any meeting or conference call the Successful Proposer and any of the Texas Lottery vendors may have.

We have read, understand and will comply with section 7.19.

**7.20 OTHER ASSOCIATED SERVICES (OFFERED OPTION)**

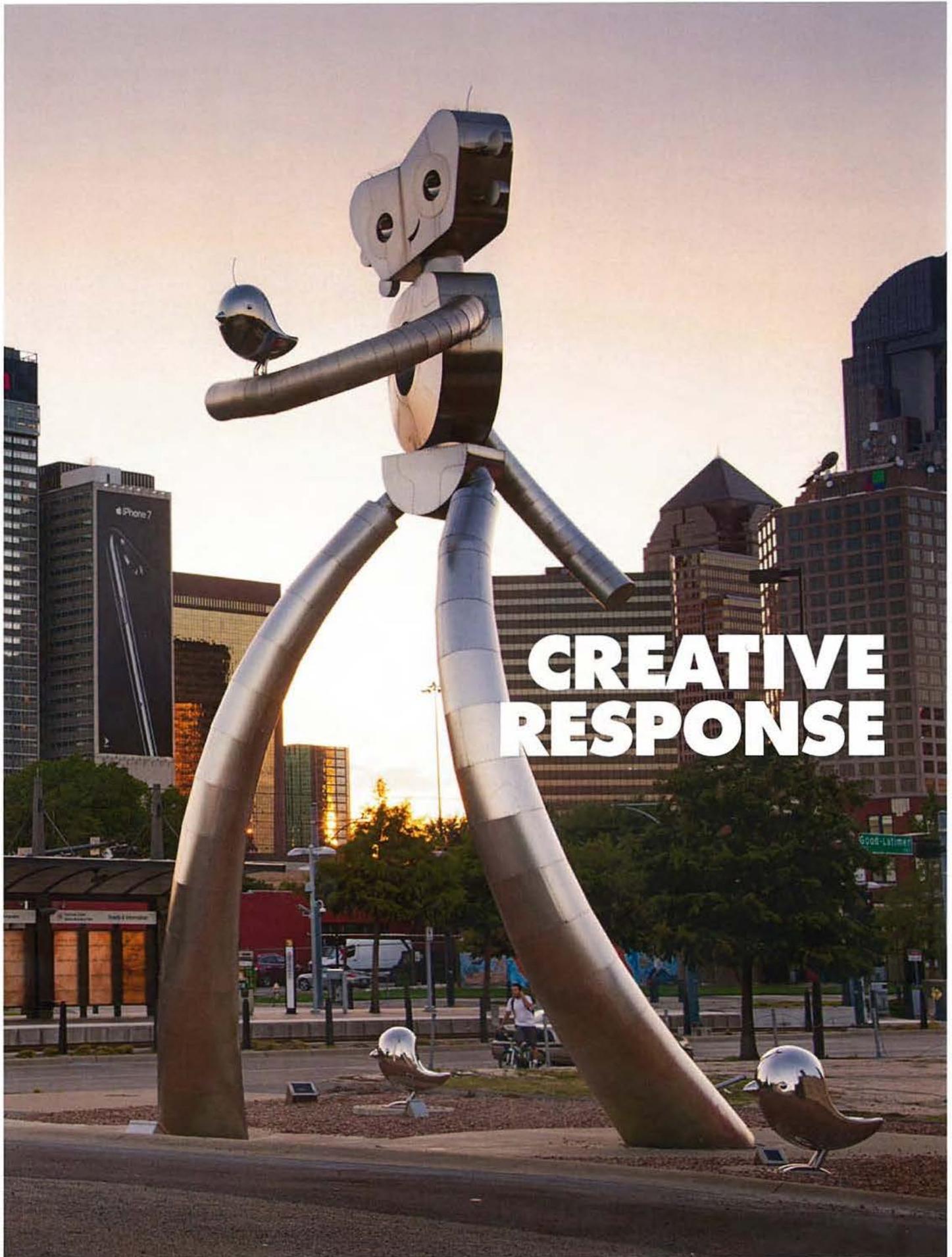
Offered Options are not identified in this RFP, but may be identified by the Proposer and included in the Proposal. This is an opportunity for Proposers to offer options the Texas Lottery may not have been aware of at the time this RFP was written. As an Offered Option, Proposers should describe in detail any other service(s) proposed to be provided to the Texas Lottery that are not specifically addressed in this RFP. The Proposer should include the cost or fee associated with an Offered Option, on a separate sheet to be included with the sealed cost proposal. The Proposer also should specify how those services would assist the Texas Lottery in achieving its objectives as outlined in this RFP.

We have read, understand and will comply with section 7.20.

**7.21 AUSTIN OFFICE**

The Successful Proposer is not required to maintain an office in Austin, Texas. However, appropriate staff will need to be available upon request to attend meetings at the Texas Lottery headquarters.

We have read, understand and will comply with section 7.21.



# CREATIVE RESPONSE

## 8.1 CREATIVE ASSIGNMENT

**8.1.1 The Texas Lottery is interested in the Proposer's process and approach to resolving communication challenges. The Texas Lottery will assess the Proposer's ability to utilize qualitative and quantitative data and translate the findings into a concise advertising strategy that produces effective marketing messages.**

For the last two decades, the United States has been moving toward becoming a country where minorities have become majorities. If the country's demographic trends continue, the United States will not have a majority ethnic group by mid-century.<sup>1</sup>

Texas is way ahead of this projection. In 2010, Texas became a minority-majority state<sup>2</sup> and by 2016 minorities already represented 57.4% of the population.<sup>3</sup> One of the main reasons, if not the most important, that explains this phenomenon is the sharing of a border with Mexico. Hispanics represent 39.1 % of the state's total population, and out of that, 87% are Hispanics of Mexican descent.<sup>4</sup>

This reality, along with the long history Texas has with the interaction and integration of different cultures (especially the Hispanic culture), has made our State unique not only demographically, but also from a psychographic standpoint. Therefore, understanding Texans is not just about recognizing how they are divided ethnically, but about defining the mindset they have developed thanks to this diversity.

In an effort to create the most effective and tailored strategic approach possible for the Texas Lottery, we decided to define our consumer with both demographic and psychographic components.

From a demographic perspective, we analyzed Simmons data that helped identify those Texans who were most likely to play the lottery. As we went through the results we learned that those between ages 25–44 represented the most important group of lottery players as they were among the most active age groups of lottery players. With more than 50% of each group playing, those 25–44 represented around 44% of total Lottery players.

People in Texas	% of people of that age that play Lottery	% of the total of Lottery players
18-24	29.7%	6.5%
25-34	52.1%	22.8%
35-44	54.2%	20.9%
45-54	52.1%	18.6%
55-65	58.4%	18.1%
65+	38.9%	13.1%

43.7%

Thanks to data provided by the University of Houston study, *Demographic Survey of Texas Lottery Players 2016*, we identified that those aged 25–44 spend up to eight times more on the lottery than those just a bit younger (18–24), and they spend twice as much as those just a bit older (45–54). When we analyze these results in conjunction with those found in the paragraph above, it allows us to determine that those between the ages of 24–44 are in fact our most relevant audience.

People in Texas	Average monthly spent on lottery
18-24	\$3
25-34	\$24.50
35-44	\$17.50
45-54	\$13.50
55-65	\$11
65+	\$13

As we went through these first two data points, we also uncovered the following facts:

- 1) Playing the Lottery has low penetration with those aged 18–24.
- 2) 18-24 year-olds and 65+ are the only age groups not showing at least 50% participation.
- 3) 18-24 year-olds have the lowest average monthly spend, by a large margin.

We believe that the use of digital media can help reach an audience that, until this point, has been elusive and unresponsive. It is of utmost importance to have a versatile message that speaks to the intended audience of those aged 25–44 but also gives us an opportunity to communicate with the younger demographic effectively in order to achieve better results that help us improve penetration and increase average monthly spend with this audience. The future of the Texas Lottery products relies on them.

Finally, we found that neither ethnicity nor income were determining factors in the likelihood of playing the lottery, which means that Texans from all walks of life and of all cultural backgrounds do play. These findings helped us understand that aside from age, personality traits that go beyond culture and income become the most crucial in defining our potential audience. That is why describing them psychographically is so important.

	% that play lottery in their ethnic group	% of the total that play lottery	Index of play
White	46.4%	41.3%	95
Hispanic	51.7%	40.2%	106
AA	48.5%	12%	99
Asian	51.7%	6.5%	106

	% that play lottery in their age bracket	% of the total that play lottery	Index of play
Less than 15k	52.4%	9.8%	107
15k-25k	48.6%	6.5%	100
25k-45k	48.7%	15.2%	100
45k-60k	44%	10.5%	90
60k-75k	47.3%	10.4%	97
75k-100k	55%	13.1%	113
100k-150k	44.8%	16.8%	92
More than 150k	51.5%	17.7%	106

From a psychographic perspective, we wanted to see if the majority of the Texas population aged 18+ shared the Omnicultural mindset, which was previously explained in sections 4.1 and 7.2 as the vision Richards/Lerma has of the future U.S. consumer from a total market approach.

In order to do this, we analyzed data from Simmons using our proprietary Omnicultural Mindset code. This code was generated via qualitative research which confirmed all traits individuals with an Omnicultural mindset share. From there we went to Simmons and matched all the statements that correlated with those specific traits and put them together into one specific code. This code, when plugged into the tool, has the ability to identify those that define themselves as Omnicultural and possess all the psychological traits necessary to belong to that mindset. We put it to the test not only for Texans 18+, but also those that are lottery players (scratch-off and drawings) and those that are between the aged 25 and 44.

The results were consistent. First, nearly two thirds of all adult Texans share the Omnicultural mindset. Second, when looking at those that are lottery and scratch-off players, the number of Texans who share the Omnicultural mindset becomes even bigger. And last, when focusing on our sweet spot of Texans aged 25–44 that play the lottery, Omniculturals represented the highest percentage of the population compared to the previous two, with more than two-thirds of them being Omniculturals, and the only ones showing an over index in Omniculturality.

	% of population that is Omnicultural in Texas	Index
18+	61.2%	100
18+ Lottery players	64.4%	105
18-49 Lottery players	68.1%	111
25-45 Lottery Players	71.1%	116

Our analysis represented a huge step in understanding our prospective audience. Knowing that they share the Omnicultural mindset allowed us to learn many of the psychographic traits that are shared among them. And therefore, it allowed us to understand how these traits affect their perspective, views, and understanding of the lottery and the mechanics of playing it.

To fully describe our audience, we also ran a full Simmons report<sup>5</sup> on Omnicultural Texans 25–44 to grasp their views of the world and how they affect their view of the lottery. After reviewing the results, we decided to name our audience of Omnicultural Texans 25-44 as Big-hearted Go-getters, a name that we will use moving forward.

### **Here is the profile of Big-hearted Go-getters and their perception and impact on the Texas Lottery:**

- Experience Seekers: 78% of Big-hearted Go-getters prefer to spend their money on experiences rather than possessions, and they see the Texas Lottery as an experience – a momentary moment of gratification worth playing.
- They are community minded and altruistic. Helping others is among their top five priorities (87% are volunteers, and 80% do it knowing that there is no benefit to them other than an emotional one). That is why they care a great deal about the contributions the Texas Lottery makes to the State.

- Live in the now: 61% of Big-hearted Go-getters say they like to enjoy life now and don't worry about the future. They see Texas Lottery not from an outcome perspective, but from an instant gratification perspective.
- Hard workers: 35% of Big-hearted Go-getters are hard workers. They believe they have control over their future, and 70% of them are already happy with their way of living. Therefore, they don't play the lottery to solve their problems. They play the lottery to have fun.
- They are risk takers: 62% enjoy taking risks. They like the thrill of playing.
- They are curious: 76% are interested in other cultures. They want to experience new things and incorporate them into their lives.
- Optimists: 73% believe their future will be better than their present. So even though they might not win today, that doesn't get them down. On the contrary, they look forward to the excitement that comes with purchasing the next ticket.
- Youthful: 52% say they want to stay young in body and in mind. Even though they are aging, they want to keep having fun, and the lottery is one of the things they enjoy.

This profile is key if we want to create a meaningful connection with Texans. It should drive all communication efforts and strategies, and will be particularly useful when describing our strategic approach to the assignment found in section 8.1.4.

It is important to reaffirm that even though we defined Big-hearted Go-getters as Texans 25-44, we believe that the Omnicultural mindset will ensure that whatever strategy and message we create will resonate across all age groups.

#### Sources:

- <sup>1</sup> Fry, Richard. (2015, September 28). Modern Immigration Wave Brings 59 Million to U.S., Driving Population Growth and Change Through 2065. Pew Research center. Retrieved on November 17, 2017, from <http://www.pewhispanic.org/2015/09/28/modern-immigration-wave-brings-59-million-to-u-s-driving-population-growth-and-change-through-2065/>
- <sup>2</sup> U.S. Census Bureau (2011). Population of Texas: Census 2010 and 2000 Interactive Map, Demographics, Statistics and Quick Facts. Census Viewer. Retrieved November 17, 2017, from <http://censusviewer.com/state/TX>
- <sup>3</sup> U.S. Census Bureau. (2016). Quick Facts Texas. Retrieved on November 17, 2017, from <https://www.census.gov/quickfacts/TX>
- <sup>4</sup> Hispanic trends (2014). Demographic profile of Hispanics in Texas, 2014. Pew Research Center. Retrieved November 17, 2017, from <http://www.pewhispanic.org/states/state/tx/>
- <sup>5</sup> SIMMONS Connect Spring 2017 - SM7SC (2017)

### 8.1.2 INTRODUCTION

The Texas Lottery's product mix consists of scratch ticket games and draw games. The Texas Lottery introduces approximately 90 scratch ticket games annually ranging in price point from \$1 to \$50, which account for approximately 79% of overall Texas Lottery sales. Draw games (Powerball, Mega Millions, Lotto Texas, Cash Five, Daily 4, Pick 3, All or Nothing, Texas Triple Chance and Texas Two Step) range in price point from \$.50 to \$2 and account for approximately 21% of Texas Lottery sales. Several of the draw games also offer optional purchase add-on features.

8.1.3. In 2008, the Texas Lottery launched the Texas Loteria scratch ticket. The scratch ticket is based on the colorful bingo-style game originating in Mexico. The images used on playing cards in the game have become iconic in Mexican culture and have crossed over into American pop culture as well. Over the past decade, Texas Loteria has consistently been one of the top selling scratch tickets at the \$3, \$5 and \$10 price points. Texas Loteria was also the first bilingual game launched by the Texas Lottery. For purposes of this creative assignment, the Texas Lottery plans to capitalize on the success of Texas Loteria by expanding the ticket into a suite of scratch tickets with price points at the \$1, \$3, \$5, \$10 and \$20 levels and supporting the suite with a comprehensive advertising campaign for the first time. The product goals for Texas Loteria suite creative are:

- 1) drive awareness of the suite of scratch tickets for both English and Spanish speakers throughout Texas
- 2) encourage product trial for new or lapsed players
- 3) maintain a strong Texas Lottery brand

8.1.4 The Assignment. Each Proposer shall create and submit as part of its Proposal, a Texas Loteria suite campaign designed to increase product awareness, trial and participation by adult (ages 18+) Texans. Each Proposer must consider and provide information in regard to how the campaign will execute successfully against the Texas Lottery's product and campaign goals. The Texas Lottery's media core audience is all Texans between the ages of 18 and 49.

The creative response, at a minimum, should include:

(a) Advertising Strategy

A solid and comprehensive strategy should be developed that addresses the assignment and meets the marketing objectives. The strategy should reflect a thorough understanding of Texas – its geographic markets, its diverse population and its status as a minority-majority state. The strategy shall be grounded in and substantiated by quantitative and qualitative data.

**(b) Media Plan**

The media plan should detail the mediums, planned goals (impressions, GRPs, etc.) and flight dates utilized to reach the intended audience and an experiential recommendation.

**(c) Budget and Flight**

The budget should include all production, media and experiential costs and shall not exceed \$3 million. The flight timing for consideration is September through November.

**(d) Creative**

The campaign's creative strategy should present original and engaging ideas that support the advertising strategy and goals. The creative response should include, at a minimum, one 30-second television spot, one 15-second digital/social video spot, one 30-second radio spot, one out-of-home execution, and point-of-sale pieces.

The creative plan should include digital, social media and experiential recommendations.

These specific creative executions are to demonstrate creative capabilities and strategic thinking and are not required to be part of the media plan. All creative shall be in accordance with the State Lottery Act and the Texas Lottery's mission, vision, core values and advertising sensitivity guidelines as described in this RFP.

**ADVERTISING STRATEGY**

The first step Richards/Lerma takes with any assignment is to completely understand the company, the product, and the reason why we have this particular challenge ahead of us. That meant taking a deep dive into the history of the Texas Lottery, from its birth in 1991, to where we are today. It also meant understanding the Scratch-off game of "Texas Loteria" and the game that inspired it, "Lotería Mexicana."

For our research, we did a lot of reading, watched several previous and related campaigns, and also had a lot of fun while testing the different scratch-off games, including Texas Loteria. By doing so we were able to identify key pieces of information that shaped our approach.

First, we understood the dual role the Texas Lottery plays for all Texans. On one side, it provides Texans with a fun game that has a random chance at winning, and it also supports the State by giving away more than 27% of their revenue to support Texas education and Veterans. Secondly, we also understood that while all scratch-off games are played differently, they still create similar emotions when played. Third, we understood the strong link between the game of Lotería Mexicana in the Hispanic/Mexican culture and the impact it has on the rest of the Texan culture.

With all of this information we were able to continue generating a deep understanding of Texans 18+ and their relationship with the Texas Loteria, while figuring out how this

knowledge, paired with the insights learned from all of our previous research, could be put to use to achieve our objectives of raising awareness, trial and participation.

As detailed in the section 8.1.1, a thorough exploration drove us to the conclusion that Big-hearted Go-getters (Omnicultural Texans aged 25-44) represented our core consumer. As we went through the profile of Big-hearted Go-getters, we began to grasp the connections between them and lottery scratch-off games, specifically Texas Loteria. The amount and quality of the research we conducted allowed us to learn fantastic insights about our audience, but there were 3 findings our psychographic approach revealed that instantly caught our attention and became very inspiring moving forward.

- 1) Scratch-off games, such as Texas Loteria, happen “in the now.” There is no waiting time or decisions to make (as opposed to drawings where you have to pick numbers and wait for the results). This paired particularly well with an audience that lives in the present and looks for experiences to enjoy in the now.
- 2) The outcome doesn’t take away from the experience in Scratch-off games. Big-hearted Go-getters are risk takers who know their odds. They play because they like the thrill, and that thrill happens before they know the outcome, not after.
- 3) The support of education and Veterans is a big deal. Big-hearted Go-getters are altruistic by nature, so knowing that their money is going back to the State they deeply love is something we should transmit, as learnings from social listening tools showed us that a large percentage of Texans still don’t know the role the Lottery plays in their state.

With all these powerful insights in mind, we designed a qualitative research study to grasp more detail and gain more inspiration for this pitch campaign. We went to the field in Dallas and Austin to execute 24 in-depth qualitative interviews on a representative sample of Texans aged 25-44 in order to further understand and explore the learnings we generated through our quantitative research. It didn’t take us long to see that we were on the right track and were now able to expand on the hypothesis we initially had, successfully narrowing our approach toward a compelling single most persuasive idea.

The interviews helped us understand that even though the “Lotería Mexicana” theme was very important to those of Hispanic or Mexican descent (and drove curiosity for those who were non-Mexican), there were far more powerful insights and messages that we could use that went beyond ethnic stereotypes or cultural opportunities.

This led to the first business decision: We saw an opportunity to be more ambitious with our advertising approach on behalf of the Texas Lottery. The strategic concept would drive a creative approach that would not only work for our intended Texas Loteria game, but would be based on insights powerful enough that it could later be applied to any other scratch-off game.

The qualitative research reaffirmed our hypothesis: scratch-off lottery games are not about rational odds or chances of winning, but about the emotional rollercoaster that comes with playing them. In their own words, “lottery scratch-off games start when you are in line to pay. Your emotions take over, you start to feel the thrill and your mind goes everywhere. This

feeling is exhilarating. It's exciting. It's fun." The biggest emotional impact comes before they scratch their ticket, and knowing that they are helping Texas education and Veterans which makes the whole experience that much better.

All of the knowledge generated throughout the process gave direction to the creation of a motivational mapping exercise and a brief. Both of these tools inspired the creative team, the media teams, the digital and social team, experiential, and brand management. It ultimately inspired all of the work created by the agency which will be found in the upcoming sections.

For the motivational mapping exercise, 400 Texans participated in a quantitative research study conducted via online surveys. This analysis allowed us to identify the primary motivations behind playing scratch-off games. Motivational mapping uses two dimensions to understand its results. The first dimension is the personal dimension. The spectrum within this dimension goes from wanting to maintain control over yourself and your emotions to letting yourself go and enjoying life to the fullest. The second dimension is the social dimension. Here, the spectrum goes from wanting to obtain power over others and yourself to attaining a sense of belonging to a larger group. Results on the personal dimension showed that Texans tend to be a little bit more motivated by personal control when playing Scratch-off games, while results on the social dimension showed that most players tended to be motivated in an effort to attain power, meaning that they wanted to feel alive and empowered. Overall, this showed us that Texans want specific things from their scratch-off games. First, they want to feel strong emotions while playing as this empowers them. But secondly, there is also a need of recognition when they play; therefore the sense of contributing to a larger (social) cause may be of great importance to them.

This information, paired with everything we had learned previously, helped in assembling the creative brief and also helped define what we believe is the single most persuasive idea we can convey in order to generate the business results we want, which are awareness, trial and participation. The statement that served as a guide toward everything we developed for the assignment is:

*"It's not about the scratch. It's about what happens before and after.  
Before the scratch, seconds of fun, thrill, magic and wild imagination.  
After the scratch, all Texans win."*

## MEDIA PLAN

We think of media not just from the perspective of media experts, but as business-oriented marketing professionals with deep knowledge of media. It is common to see agencies get into the details and rationale of media plans, developing studies, research, tactics, etc., that look good from a media standpoint but lose the focus of the final business goals. For us, the greater goal of the plan, the business goal, is what drives all the decisions and strategies of our media plan. In this section, we will establish media goals, strategies and tactics for the Scratch-off Texas Loteria plan that are completely aligned with our final business goal of increasing awareness levels and encouraging product trial and frequency for new and lapsed players.

## MEDIA PRINCIPLES

In order to build an effective media strategy, there are three media principles we want to define and follow through the entire planning process, aligning all the efforts with the main goal of the plan and guaranteeing a successful media delivery.

**Principle #1:** Provide media coverage throughout the State to reach all Texans, with special emphasis on key markets/areas to guarantee a stronger messaging delivery in the geographic areas with greatest potential.

**Principle #2:** Cover the main segments of the audience robustly before including more segments in the communication (psychographics and demographics).

**Principle #3:** Align the media resources with the opportunity. This refers to the combination of population segments by market and business opportunity (awareness/trial/frequency).

## MEDIA PARAMETERS

The following parameters will define the strategy for the media plan:



**MEDIA GOAL**

To develop an efficient media plan reaching our audience in the most effective way with the available resources, increasing awareness, encouraging trial and increasing frequency.

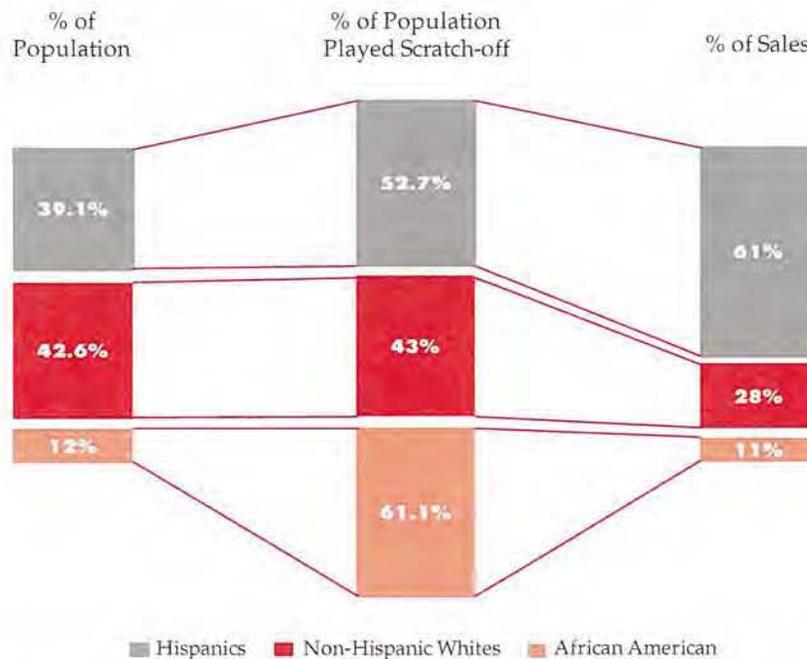
**KEY OBJECTIVES**

- Generate awareness of the “Scratch-off Texas Loteria” game among Omnicultural Millennials.
  - o The first step is to make sure that all potential players know about this specific game and potentially move them down on the conversion funnel.
- Reach current players with exciting messages to increase their spending/frequency.
  - o Make sure that the current base of players knows about this game and encourage them to select the “Scratch-off Loteria” as the game to play during the campaign and moving forward.
- Reach potential new consumers generating trial and engagement.
  - o Deliver the message to a base of lapsed or non-traditional players who may get motivated by our message to play Scratch-off games and select the Texas Loteria game.

**TARGET OPPORTUNITY AND MEDIA IMPLICATIONS**

When analyzing the audience and largest ethnic groups in the State, we used the information provided in the “Demographic Survey of Texas Lottery Players 2016,” from which we were able to get the percentage of players and the average spending per month on Scratch-off games and compare the information on those variables with the percentage of the population 18-49 by ethnicity in the State to better understand the business opportunity.

The following chart shows the size of the three largest ethnic groups, their propensity for playing scratch-off games and an estimate of what each group may represent for the business.



Based on the information described in the previous chart, and considering the average spending on scratch-off games, Hispanics may represent the largest base of revenue for the scratch-off games in Texas – more than all the other segments combined. The second largest group is Non-Hispanic Whites, followed by African-Americans, who represent 11% of the total sales.

When analyzing the two mentioned variables (size of the population that plays scratch-off games and current levels of monthly spending on this game) and comparing the findings with the business and media objectives previously defined, we see potential for revenue growth from all segments, with some differences in the areas of opportunity.

Ethnicity	Awareness	Trial	Spending/Frequency
Non-Hispanic Whites	√	√	√
Hispanics	√	√	
African-Americans	√		√

## **AWARENESS**

Awareness of the new game is needed across all segments for consideration and potential purchase. Our media allocation plan is built considering the mix and levels of media needed to generate enough awareness among all Texans.

## **TRIAL AND FREQUENCY**

### *Non-Hispanic Whites:*

43% of this group plays scratch-off games. There is an opportunity to increase trial and grow the number of potential players. Spending levels are lower compared to Hispanics, so there is also an opportunity to motivate this group of current players to play more, increasing their monthly spend/frequency.

### *Hispanics:*

53% of Hispanics play scratch-off games, so the opportunity to grow the base of players is not as high as it is for Non-Hispanic Whites, but there is room to grow this base, especially considering the “Hispanic” nature of the Texas Loteria game. On the other hand, Hispanics spend two times as much as the other two main ethnic groups, and they are the group with the highest purchase frequency: they are 11% more likely than Non-Hispanics to have bought five or more lottery tickets in the last 30 days. The frequency and level of spending is high for this group, so increasing their level of spending may be more difficult to achieve.

### *African-Americans:*

Almost 62% of African-Americans in Texas play scratch-off games. Increasing the base/number of players in this segment will be more difficult to achieve; however, unlike Hispanics, their frequency and spending levels are lower, so there is an opportunity to motivate this group of current players to play more and increase their monthly spending/frequency.

### *Asians:*

There is no information on this particular population segment in the survey, so it would be incorrect to compare this group with information from other sources in this specific chart. However, Asians represent a small segment in the Texas market (less than 5%). And we will make sure that the communication plan includes measurable digital outlets to reach these potential consumers. There are no broadcast vehicles in the state that may provide rated results within this segment.

## **MEDIA TARGET**

The media target is adults 18-49 living in Texas, with special emphasis on the 25-44 segment. For buying efficiencies, our off-line media focus will be on the 18-49 segment, and for digital, which as a medium offers additional buying tools, we will direct our efforts to 18-44, considering that the 18-24 segment has heavy digital media consumption habits, and the 25-44 is our sweet spot.

Understanding the segments within the audience is key. When we mention "segments," we are not only considering all the variables defined in the target definition section, but we are adding two variables that have a significant implication for media allocation decisions: ethnicity and Scratch-off gaming habits.

Our goal is to secure a fair messaging distribution, considering all the potential players within our target regardless of ethnicity and socioeconomic conditions, but we want to make sure that we take all these factors into consideration to achieve the media delivery necessary to generate sales among our Texan audience.

## **MARKETS RECOMMENDATION**

Our approach for the geographic market analysis is not only for media investment allocation, but it also provides us with insights to determine the type of media and message that may better apply to different markets.

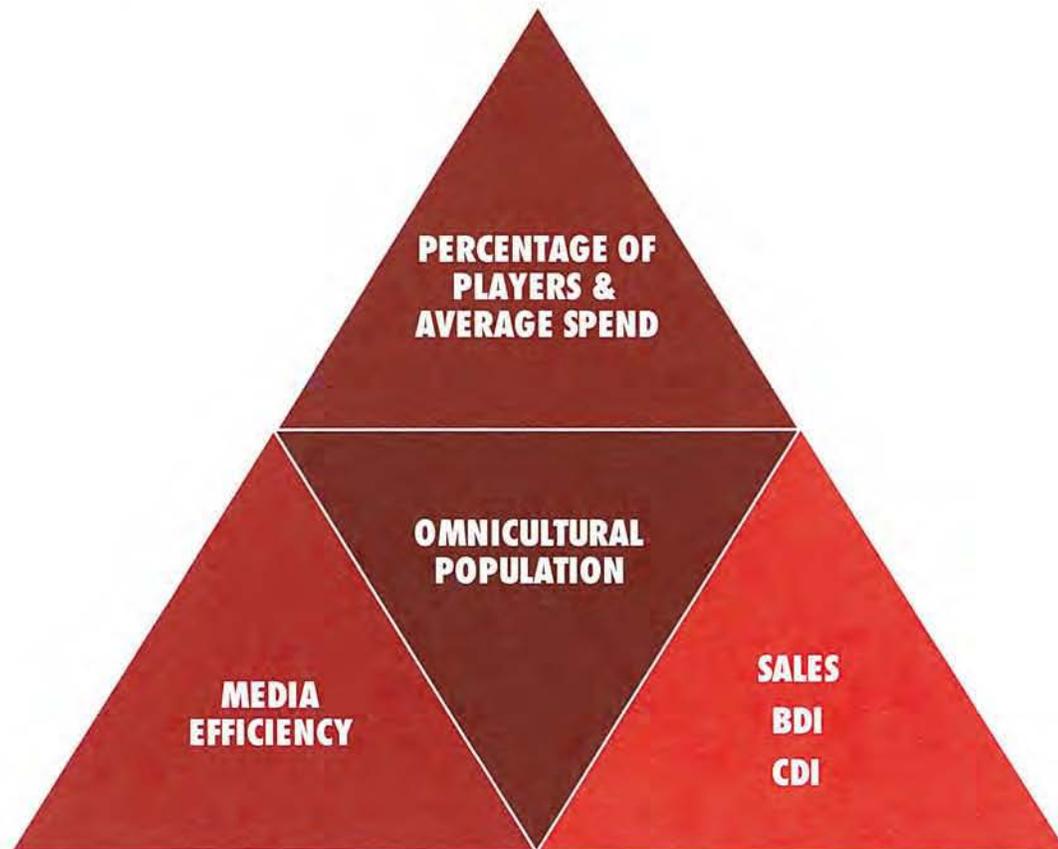
Also, based on the revenue opportunity by geographic area, the local population composition and its lottery purchasing habits, we built a matrix to determine the right media channel and

the message variation that should go to different segments within key geographic areas. In summary, the market analysis will allow us to:

- Allocate the resources aligned with the opportunities of revenue growth
- Define the right type of media by geographic area
- Understand the composition of the population within the market and their involvement with the Texas Lottery and the scratch-off games
- Determine the demographic characteristics in the key areas and deliver our message at the neighborhood level
- Combine the media allocation by type, with the right message for the local target, and take it to a personal level with sequential strategic messages to move the consumer down the purchase funnel

### **MARKET MATRIX ANALYSIS**

The matrix contemplates four key groups of variables in the market analysis to define opportunities. Each variable has its importance in the final result for market decisions:



## PLAYERS AND AVERAGE SPEND

The percentage of population playing any lottery game and the average monthly spending in lottery games is information pulled from the *Demographic Survey of Texas Lottery Players 2016*. These two variables will allow us to estimate the propensity of the population that plays the lottery to understand the business opportunity by geographic areas, and also to identify and classify the potential messaging opportunity in a specific area, such as increasing trial among light players or increasing frequency of purchase among current players.

Using the available data from the *Demographic Survey of Texas Lottery Players 2016*, we developed a chart estimating indices for each variable, combining the different factors and understanding the local opportunity for potential revenue. (The chart includes all the markets included in the survey's results chart and accounts for the largest markets in the state. However, the entirety of the Texas territory will be considered in the final media allocation.)

Markets	Index of Population 18-49	Index of % Playing Any Game	Index of Avg Monthly Spend
Austin	116	97	48
Dallas N	185	80	54
Dallas S	92	115	61
Fort Worth	140	123	226
El Paso	54	116	150
Houston East	235	123	100
Houston NW	114	73	37
Houston SW	47	115	191
Lubbock	23	78	40
McAllen	69	114	144
San Antonio	139	105	67
Tyler	34	76	42
Waco	53	85	138

The numbers on the chart are indices calculated against the average of each variable included in the chart. The numbers in red highlight the higher indices, while the yellow cells highlight the over-indices and the whites the values under the 100 Index.

This is an example of how the chart should be interpreted:

San Antonio over-indexes by 39% in terms of the 18-49 population segment compared to the average population by market; it also over-indexes by 5% in percentage of people playing compared to the rest of the population and under-indexes by 33% on average monthly spend.

These values are directional and need to be analyzed in conjunction with the other variables defined in this market analysis.

## SALES, CDI & BDI

When looking at sales by market of all Scratch-off games and the Texas Loteria game, we notice that there is a correlation in several of the markets in terms of sales volume that each market represents for the overall State sales. However, there are markets with a clear preference for Texas Loteria and other markets with less interest in this particular game.

Market	Scratch-off Sales	% Sales	TX Loteria Sales	% of Sales	Sales Variation
Abilene-Sweetwater	58,996,590	1.5%	4,832,180	1.2%	-23%
Amarillo	69,827,451	1.8%	7,002,736	1.7%	-5%
Austin	308,192,670	7.8%	36,386,805	8.7%	11%
Beaumont-Port Arthur	84,247,135	2.1%	5,717,622	1.4%	-36%
Corpus Christi	139,786,731	3.6%	14,707,738	3.5%	-1%
Dallas-Fort Worth	979,516,635	24.9%	99,922,664	24.0%	-9%
El Paso	51,695,179	1.3%	5,590,129	1.3%	2%
Harlingen-Brownsville-McAllen	176,437,384	4.5%	35,810,298	8.6%	91%
Houston	914,771,434	23.2%	98,536,627	23.6%	2%
Laredo	27,857,915	0.7%	4,506,591	1.1%	53%
Lubbock	65,657,270	1.7%	6,726,625	1.6%	1%
Odessa-Midland	93,867,452	2.4%	8,856,266	2.1%	-11%
San Antonio	499,515,051	12.7%	50,903,124	12.2%	-4%
San Angelo	30,552,358	0.8%	2,942,470	0.7%	-9%
Sherman-Ada	18,815,086	0.5%	1,483,186	0.4%	-26%
Shreveport	43,842,946	1.1%	2,906,672	0.7%	-37%
Tyler-Longview	133,843,066	3.4%	10,197,206	2.4%	-28%
Victoria	19,915,096	0.5%	1,721,797	0.4%	-18%
Waco-Temple	189,582,323	4.8%	16,331,381	3.9%	-19%
Wichita Falls	28,317,195	0.7%	2,094,868	0.5%	-30%
	3,935,236,967	100%	417,176,985	100%	

The markets highlighted in red show a strong negative variation for Texas Loteria games compared to all Scratch-off games, inferring a lower penetration of this particular game in these markets among Scratch-off players, followed by the markets highlighted in yellow with a smaller negative variation. On the other hand, the markets in light blue show a balanced preference for the Texas Loteria game compared to all Scratch-off games, and the markets in dark blue showed a very strong preference for the Texas Loteria Scratch-off game among Scratch-off players.

By looking only at this variable, we could define the markets in blue as the markets with the highest internal opportunity from a product preference standpoint. However, the actual sales number is a variable with potentially more weight in this analysis. We can see markets with a very high preference like Laredo which only represents 1.1% of Texas Loteria overall sales, and markets with average penetration like Dallas which represents 24% of all the Texas Loteria sales. Therefore, once again, further analysis of different variables needs to be analyzed in context and in conjunction to arrive at the right recommendation.

When analyzing market opportunities, it is important to put them in the context of the population of each market to understand what these sales proportionally represent and better understand the penetration and opportunity of this particular game by market so

we can better allocate our resources. That said, it is important to understand the “Category Development Index” that allows us to compare the level of penetration of the category by market compared to the rest of the markets in the state, and the “Brand Development Index” that provides the same information at the brand level.

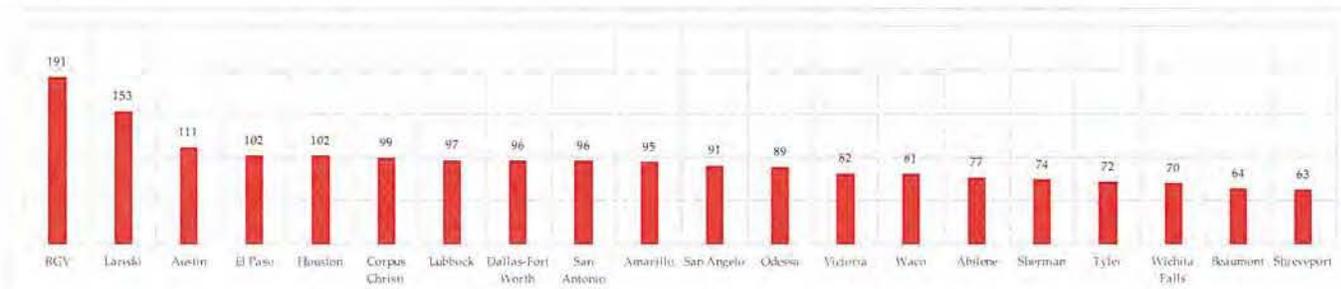
For this analysis, we defined the “Category” as all the Scratch-off games and the “Brand” as the Texas Loteria game.

For CDI and BDI calculations, we divided the percentage of the Omnicultural population that each market represents within the State by the percentage of sales that each market represents within the State.

Market	Total Omnicultural Pop.	% Geo-Footprint	Scratch-off Sales	% Sales	CDI	Total Omnicultural Pop.	% Geo-Footprint	TX Loteria Sales	% of Sales	BDI
Abilene-Sweetwater	67,224	0.6%	58,996,590	1.5%	252	67,224	0.6%	4,832,180	1.2%	195
Amarillo	200,000	1.8%	69,827,451	1.8%	100	200,000	1.8%	7,002,736	1.7%	95
Austin	899,000	7.9%	308,192,670	7.8%	99	899,000	7.9%	36,386,805	8.7%	110
Beaumont-Port Arthur	94,050	0.8%	84,247,135	2.1%	258	94,050	0.8%	5,717,622	1.4%	165
Corpus Christi	277,000	2.4%	139,786,731	3.6%	145	277,000	2.4%	14,707,738	3.5%	144
Dallas-Fort Worth	3,240,000	28.6%	979,516,635	24.9%	87	3,240,000	28.6%	99,922,664	24.0%	84
El Paso	417,000	3.7%	51,695,179	1.3%	36	417,000	3.7%	5,590,129	1.3%	36
Harlingen-Brownsville-McAllen	535,000	4.7%	176,437,384	4.5%	95	535,000	4.7%	35,810,298	8.6%	182
Houston	3,078,000	27.2%	914,771,434	23.2%	85	3,078,000	27.2%	98,536,627	23.6%	87
Laredo	116,000	1.0%	27,857,915	0.7%	69	116,000	1.0%	4,506,591	1.1%	105
Lubbock	177,000	1.6%	65,657,270	1.7%	107	177,000	1.6%	6,726,625	1.6%	103
Odessa-Midland	185,000	1.6%	93,867,452	2.4%	146	185,000	1.6%	8,856,266	2.1%	130
San Antonio	1,084,000	9.6%	499,515,051	12.7%	133	1,084,000	9.6%	50,903,124	12.2%	127
San Angelo	55,000	0.5%	30,552,358	0.8%	160	55,000	0.5%	2,942,470	0.7%	145
Sherman-Ada	20,784	0.2%	18,815,086	0.5%	260	20,784	0.2%	1,483,186	0.4%	194
Shreveport	107,206	0.9%	43,842,946	1.1%	118	107,206	0.9%	2,906,672	0.7%	74
Tyler-Longview	263,000	2.3%	133,843,066	3.4%	146	263,000	2.3%	10,197,206	2.4%	105
Victoria	34,000	0.3%	19,915,096	0.5%	168	34,000	0.3%	1,721,797	0.4%	137
Waco-Temple	412,000	3.6%	189,582,323	4.8%	132	412,000	3.6%	16,331,381	3.9%	106
Wichita Falls	57,200	0.5%	28,317,195	0.7%	142	57,200	0.5%	2,094,868	0.5%	99
<b>TOTAL</b>	<b>11,318,463</b>	<b>100.0%</b>	<b>3,935,236,967</b>	<b>100%</b>		<b>11,318,463</b>	<b>100.0%</b>	<b>417,176,985</b>	<b>100%</b>	

There is a marked difference among different groups of markets that allows us to determine where the Texas Loteria has had more acceptance within the Scratch-off category. For example, we see markets like Harlingen where the BDI is almost double the CDI, which represents very strong penetration and preference for Texas Loteria as their Scratch-off game among consumers in this market. In contrast, we see areas like Beaumont or Tyler in which the BDI is considerably lower than the CDI, showing a lower level of preference and penetration among Scratch-off players in those regions.

By dividing the BDI by CDI, we estimated what we called the “Penetration and Preference Index,” which shows the level of penetration of the brand in context with the category. The chart below illustrates the preference of the Texas Loteria game among Scratch-off players by market.



## MEDIA EFFICIENCY

When talking about media efficiency, we are mainly referring to off-line media, since the large majority of digital media outlets has the same or similar CPM regardless of geography.

We estimated the CPM (cost per thousand) for English- and Spanish-language broadcast and identified areas in which the investment will have a higher delivery. This exercise helps us to administrate and manage the resources with the right budget allocation by market. In the chart below, the higher the index, the greater the efficiency versus the average of the Texas markets.

Markets	GM Index		Hispanic Index	
	TV Media Efficiency	Radio Media Efficiency	TV Media Efficiency	Radio Media Efficiency
Austin	101	85	80	98
Dallas	71	111	123	174
El Paso	111	83	104	81
Houston	61	100	87	145
McAllen	130	190	127	137
San Antonio	121	70	97	57
Tyler	86	98	N/A	N/A
Waco	100	133	N/A	N/A

## OPPORTUNITY INDEX MODEL

Our model contemplates the estimate of a weighted average of the considered variables to obtain a value for the opportunity that each market represents and classifies the markets in different tiers based on their potential for the overall program. In this weighted average approach, we assigned the importance of the variables according to what we think each variable represents for the overall opportunity:

- The propensity to play a Scratch-off game has 10% of the weight/importance
- The size of the Omnicultural segment in each market accounts for 20%
- The current average spend on Scratch-off games 10%
- Current Texas Loteria sales 30%
- "Preference and Penetration Index" (Calculated from BDI & CDI) 20%
- Media Efficiency Index, since it only or mostly applies to off-line media 10%

The chart below shows the markets and their opportunity index. The markets with highest indices are the markets with the greatest opportunity for the Texas Loteria game.

Markets	Opportunity Index
Dallas	225
Houston	220
San Antonio	146
McAllen	144
Austin	121
Waco	84
El Paso	75
Tyler	57

The chart includes all the markets available in the *Demographic Survey of Texas Lottery Players 2016*. However, for sales, BDI, CDI, population, media efficiency and PPI, we evaluated all the markets in Texas. The markets not included in the chart above didn't represent a large opportunity, except for Corpus Christi, which has a significant value in sales and PPI. By no means are we excluding the rest of the markets from the media plan; this list highlights the biggest opportunity but our plan will include all markets according to their potential.

Based on the variables defined in the Market Analysis Matrix, our proposal is to build four market tiers and manage the media allocation according to the business opportunity. The Tiers are defined as follows:

Tier 1	Tier 2	Tier 3	Tier 4
Houston	Waco-Temple-Bryan	Amarillo	Beaumont-Port Arthur
Dallas-Fort Worth	Tyler-Longview	Lubbock	Abilene
San Antonio	Corpus Christi		Wichita Falls-Lawton
Austin	Odessa-Midland		San Angelo
Harlingen-Brownsville-McAllen	El Paso		Laredo
			Victoria
			Sherman

*Note: If there is any particular internal reason to move a market from the tier we are proposing, the agency is open to including additional variables in the analysis and allocating the market in the appropriate tier.*

- Tier One markets account for 78% of the Omnicultural 18-49 population of the State and currently represent 77% of Texas Loteria sales.
- Tier Two markets account for 14% of the Omnicultural 18-49 population of the State and currently represent 13% of Texas Loteria sales.
- Tier Three markets account for 4% of the Omnicultural 18-49 population of the State and currently represent 5% of Texas Loteria sales.
- Tier Four markets account for 5% of the Omnicultural 18-49 population of the State and currently represent 4% of Texas Loteria sales.



In addition to the tiered market approach, there are local areas with greater opportunity within the defined DMAs, and each of these areas will be analyzed and supported with customized digital media.

A good example is Fort Worth, in which the average monthly spend is considerably higher than in the rest of the DMA and the State, as seen in the previous “Players and Average Spend” chart. It also over-indexes on the amount of people playing scratch-off games and represents a significant portion of the population of the state. These values definitely define this area as a very important market for media allocation purposes. In addition, including the local consumer ethnicity in the analysis will allow us to focus our media and messaging on the greatest potential opportunity that was defined by each segment within that geographic area.

The local ethnic composition will also help us to determine the type of opportunity between frequency/spending and trial and/or growth of the player base, based on the parameters predefined in the “Target Opportunity and Media Implications” section.

## **MEDIA SELECTION**

Our approach is to find commonalities in media consumption patterns and channels that will maximize our messaging delivery and the effectiveness of our English-language media placement among all Texans. In addition, we want to reinforce the delivery in the current strongest segment, Hispanics.

Hispanics not only represent the largest source of revenue for the Scratch-off games, but due to the Hispanic nature of the Texas Loteria game, we think there will be additional interest from this group in the Texas Loteria Scratch-off game.

According to Simmons, Omnicultural Hispanics in Texas are likely English-language media consumers. Approximately 71% confirmed they consume English-language media at some point. This varies by market, and that will be taken into consideration for the breakdown of the English-language and Spanish-language media by market, but the main point is that our English-language media allocation will be efficient across all Texans, including Hispanics. There are specific English-language shows and dayparts that have a better delivery to Hispanics, and those shows will be included in our buy.

English-language media is strong among Non-Hispanics, including African-Americans. Our goal is to reach all segments fairly, and therefore we will include local radio stations appealing to the African-American audience in our station mix as well as selected shows with high rating among the African-American population to guarantee the same levels of media delivery that the other ethnic groups will have.

### ***Broadcast and Digital***

Correctly executed broadcast media has the ability to expand the message to our target, generating rapid awareness levels. It is a fundamental part of the plan with a well-defined role. However, broadcast media is limited in terms of geolocation within a DMA or MSA, which limits its capacity to customize the messaging and reach in a more granular way.

Our media plan considers all the tactics for broadcast media that will help refine the role of the base media channel for awareness and frequency with the main messaging appealing to our core target.

On the other hand, options such as digital video platforms allow us to not only to break down the message by demographic and psychographic segments, but also separate our messaging by zones, ZIP codes and even by neighborhoods, which will allow us to customize not only our media, but our messaging by potential consumers.

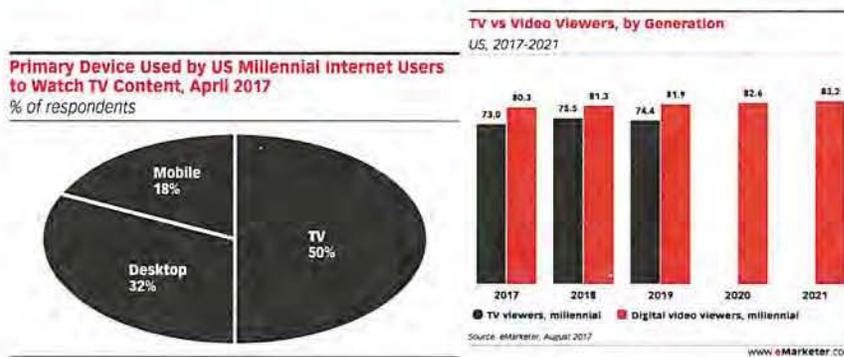
Finally, several digital media channels have the capability of directing the message to a selected target predefined by demographics, psychographics, purchase habits, game spending and average played a month, among other attributes, combined with the geofencing ability of serving our ads to the selected demo in specific locations and/or based on where our target has been throughout the day.

For example, we can serve an ad to a Hispanic Omnicultural, 18-49, potentially a light Lottery/ Scratch-off buyer with capacity for a higher level of spending on Scratch-off games, who visits grocery stores at least once a day. That specific consumer could have already been exposed to our off-line campaign, one of our radio ads or our billboards, then he/she is exposed to a digital message relevant to his/her own particular situation and mindset, and this could be the trigger to incentivize purchase. In addition, we will use sequential messaging tools to serve time-/journey-sensitive ads to that individual to provide consistent reasons to play the Scratch-off Texas Loteria game. With that in mind, this consumer becomes a stronger potential buyer than a consumer who is only exposed to generic messages for the entire audience, and from a media investment standpoint, our media dollars will work more efficiently.

### ***TV or not TV***

Historically, the Texas Lottery campaign included TV as one of the main mediums in key markets. TV is a very strong medium and reaches multiple audiences at the same time, generating quick awareness. However, TV is an expensive medium not only from a total out-of-pocket standpoint, but also from an efficiency standpoint.

TV exposes the message via two senses, audio and visual, unlike any other off-line media, but with the growth in usage of digital media, there are several platforms that allow us to stimulate those two senses just like on TV. As a matter of fact, video consumption on other devices is the most common activity among Millennials, to the point that even half of TV content is being watched on other devices, as shown in the chart below. According to eMarketer, Millennial TV viewers are declining, while video viewers are on the rise.



Source: eMarketer 2017

When building media plans, it is common to explain the rationale for the media vehicles that are selected in the plan. However, in this particular plan we are adding the analysis for TV, since we think it's such an important medium that its inclusion or exclusion from the media plan needs to be analyzed and justified. We built the rationale designing the best possible use of TV with the available budget, and from there determining if that is part of the most efficient media option or if other vehicles may be more effective and more in line with our budget, target and objectives.

- **Potential English- and Spanish-Language Television**

TV provides fast reach, reaches all the segments equally and brings quick awareness.

In the event of using TV as a medium in this plan, we would optimize all the different TV tactics to make it an efficient medium and compare it to other options. If adding TV, our approach would be to use English-language TV to reach all segments (considering the Hispanic viewership of English-language TV) and add Spanish-language TV to reinforce delivery among Hispanics. However, the overall goal would be to balance the buy by market to buy the exact amount of TRPs required in each market to maximize the use of the budget and not over-buy in a given market. When buying English-language TV, part of the audience is Hispanic, so it is important to understand the delivery of English-language TV by market among Non-Hispanics and Hispanics. That said, we built the following analysis:

1) Hispanic delivery of English-language TV focuses on English-Dominant and Bilingual Hispanics

a. As stated before in this document, 71% of Omnicultural Hispanics 18-49 are likely to watch English-language TV, this 71% is mainly defined by English-dominant and bilingual Hispanics. (Source: Simmons)

b. In our model, this 71% was used as the index to the General Market viewing, with Non-Hispanics over-indexing

- $\text{Hispanic A18-49 TRPs} = [(\text{A18-49 TRPs} \times \text{A18-49 pop}) \times (\% \text{ Hisp pop that's ED/B} \times 71\% \text{ of viewing to EL stations})] / \text{Hispanic A18-49 TRPs}$

2) In our model we do not account for Non-Hispanics watching Spanish-language TV, considering that that base is extremely small.

a.  $\text{Hispanic A18-49 TRPs} = (\text{A18-49 TRPs} \times \text{A18-49 pop}) / \text{Hispanic A18-49 pop}$ .

Example: In Houston, it's estimated that 65 A18-49 TRPs of English-language TV deliver 98.9 Non-Hispanic A18-49 TRPs and 13.7 NSI TRPs against Hispanic A18-49

By adding 35 A18-49 NSI TRPs on Spanish-language stations, it is estimated that the Hispanic A18-49 delivery would increase by 88 TRPs, for a total Hispanic A18-49 delivery of 101.7 TRPs vs. Total A18-49 delivery of 99 TRPs.

Market	% Hisp	Total TRPs	Non-Hisp TRPs	Hisp TRPs	ED/Bi TRPs	SD TRPs
Austin	34.4%				50%	149
EL TV		75.0	100.5	26.3	53	0
SL TV		25.0	0.0	72.7	29	173
		100.0	100.5	99.0	82	
Dallas-Fort Worth	30.7%				35%	629
EL TV		75.0	100.1	18.4	53	0
SL TV		25.0	0.0	81.5	47	631
		100.0	100.1	99.8	99	
Harlingen-Wslco-Brmsv	92.7%				40%	299
EL TV		20.0	203.9	5.6	14	0
SL TV		90.0	0.0	97.0	49	387
		110.0	203.9	102.6	63	
Houston	39.8%				30%	807
EL TV		65.0	98.9	13.7	46	0
SL TV		35.0	0.0	88.0	59	812
		100.0	98.9	101.7	104	
San Antonio	58.1%				57%	267
EL TV		55.0	100.8	21.9	39	0
SL TV		45.0	0.0	77.4	27	384
		100.0	100.8	99.4	66	

With this approach, we would not only maximize the delivery among Hispanics but also balance the buy among Non-Hispanics for an optimal Omnicultural market approach, preventing overspending on English- and Spanish-language media. It is also customized market by market according to the population, the Hispanic population, local language preferences and local ratings.

English-language program selection during the buying process would emphasize over-delivery of Hispanics to enhance reach of English-dominant, bilingual and Spanish-dominant Hispanic audiences.

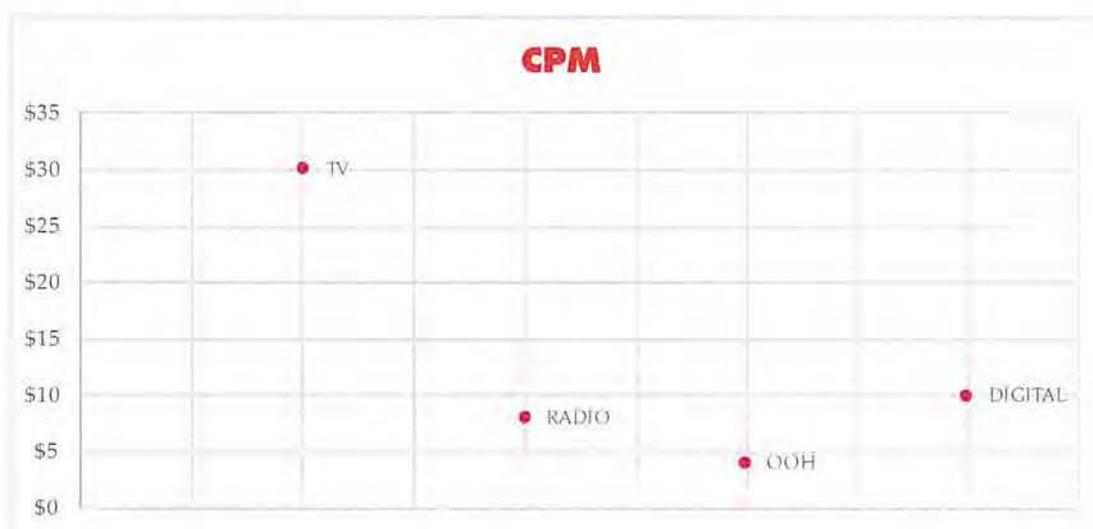
### **ADDITIONAL TV CONSIDERATION**

To maximize the TV delivery with the available budget, the recommendation would be to design the plan with a unit mix of 50% 30-second spots and 50% 15-second spots. And place them strategically in a sequential manner to generate awareness at the beginning of the campaign with 30-second units and provide frequency for recall and consideration during later phases of the campaign.

#### *TV Efficiency Evaluation*

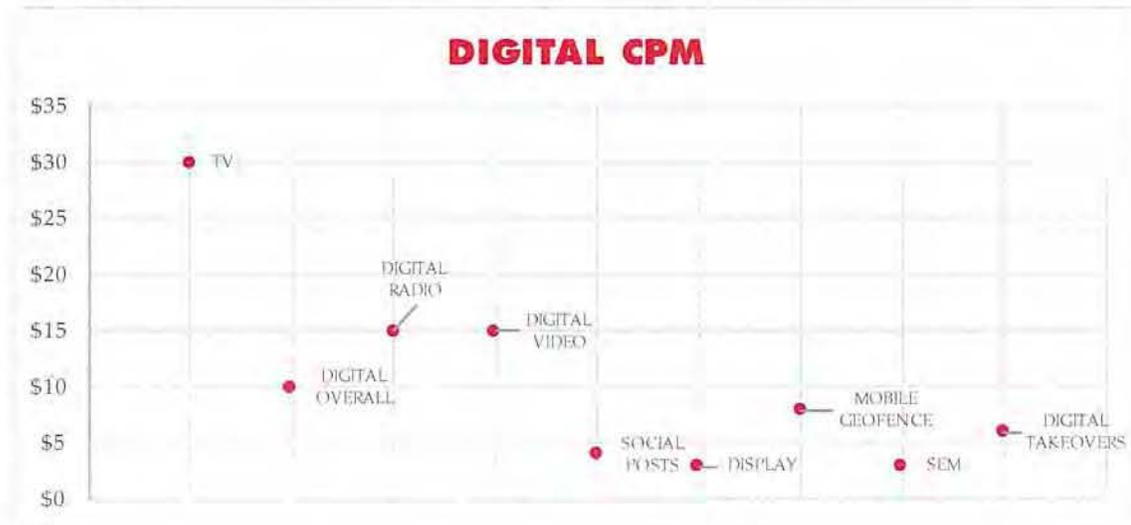
All the previous analyses were done to present the best possible scenario for TV and be able to compare the use of the TV budget, if invested, in other potential media vehicles. To cover the Tier 1 markets with six weeks of TV at the right levels of 100 TRPs a week for Hispanics and Non-Hispanics as explained in the previous methodology would require \$1,360,425, which would provide us 44,897,400 impressions for a CPM of \$30 when adding all Tier 1 markets. And for key markets like Dallas and Houston, the TV CPM is even higher, around \$35.

As expected, this CPM is higher than the CPM of the other potential media channels as shown in the chart below.



TV has the highest CPM compared with the rest of the channels. However, it would be unfair to give an OOH or radio impression the same weight as a TV impression.

As it relates to digital, due to the different digital executions available, it would be inaccurate to compare overall digital impressions to TV impressions. Therefore, it is important to break the digital impressions' CPM into the different digital avenues that we propose for the plan. The chart below illustrates the different digital executions' CPM compared to TV's CPM:



Digital video platforms are the closest comparison to TV. As explained before, video is the most trending activity for digital users; even TV content is being watched on other devices. Digital video platforms allow exposing our videos to selected audiences in different effective ways, such as pre-rolls, mid-rolls and other potential forms. For this particular execution, the CPM is estimated at \$15, which is 50% lower than TV in Tier 1 markets as a whole and about 60% lower than TV in Dallas and Houston.

For example, with the budget mentioned before of \$1,360,425 for 44,897,400 TV Impressions, we would achieve around 90,695,000 Targeted Digital Video Impressions. At this point, we are not saying we will use these funds on digital video, but we are proposing redistributing the budget among all the other available media channels.

*As an agency, we are not opposed to the use of TV as one of the media channels. However, in this situation with a limited budget, we recommend concentrating our budget on other media channels that will more effectively reach our audience.*

## MEDIA ROLES

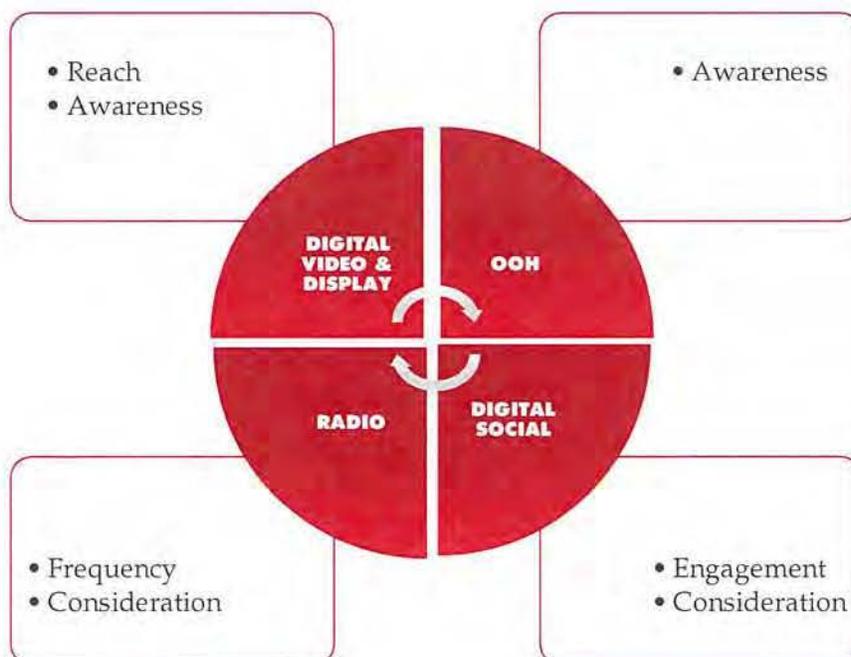
The selection of our media channels is aligned with the opportunity defined by market with an overall objective of reaching our target with English-language channels regardless of their ethnicity and reinforcing the Hispanic segment with Spanish-language media. We will include media vehicles that match the following criteria:

- Generate massive reach and strong impact within a short window of time.
- Allow us to maintain strong levels throughout the campaign with the available budget.
- Customizable to reach target in specific moments and situations with higher buying propensity.

Based on media objectives and usage, our media recommendation includes off-line media as well as digital media. The combination of these media outlets will provide the right mix to generate the desired levels of awareness and the tools to encourage potential consumers to buy the Texas Loteria Scratch-off game.

Each medium will have its role within the overall campaign and will be designed to effectively work in conjunction with the other media channels included in the plan.

Digital videos allow us to explain our message with audio-visual capabilities through digital video platforms with strong targeting capabilities by audience, location and daypart, among others. OOH will provide massive reach at a very effective CPM and radio will maintain the message momentum with massive frequency and consideration tactics, while social media will maintain the Texas Loteria message active in the main social networks, generating engagement and consideration.



## English and Spanish Radio

Radio is a key medium in the Texas markets. Though not a visual communication, it is a very strong media vehicle to efficiently build frequency of the message. It allows the brand to put the message closer to the point of purchase and provides continual presence throughout the day.

### **RADIO MIX WEIGHT METHODOLOGY**

With our radio approach, we will ensure that all ethnicities will be considered and covered equally, maintaining the best possible mix to maximize revenue and final business results.

English-language radio is a natural media vehicle for Non-Hispanics, including African- Americans. Our goal is to reach all segments fairly, and therefore we will consider including local radio stations appealing to the African-American audience in our station mix as well as select radio shows with heavy listenership by the African-American population to guarantee the same levels of media delivery that the other ethnic groups will have.

A significant portion of our Hispanic target consumes English-language radio and this is taken into consideration in our radio selection allocation. However, there is still a very strong base of Hispanics that only or mostly consumes Spanish-language radio. Our goal is to balance the delivery of English-language radio to cover all Texans that fall into our target market, ensuring delivery to Hispanics that consume English-language radio and reinforcing the communication in Spanish for the Spanish-language radio consumers.

Each market's radio audiences were evaluated to determine the optimal mix of English- and Spanish-language programming.

For the radio analysis, we applied a methodology using the latest radio rankers (Aug 17-Oct 17) measuring the delivery of the potential English radio stations that will be included in the plan against Hispanics.

- 1) Rankers were pulled by market for General Market A18-49 and Hispanics A19-49.
- 2) Ratings for the English-language and Spanish-language stations likely to be included on the plans were averaged for both demos to estimate total delivery by key ethnic segments.
  - a. English-language stations' average A18-49 ratings is the basis for creating an index.
    - i. Spanish-language stations' average A18-49 TRPs were divided by the English-language stations' average A18-49 TRPs to estimate delivery off any given A18-49 TRP level purchased.
    - ii. Total A18-49 TRPs and Spanish-language station average ratings were converted to impressions; the difference is Non-Hispanic impressions. These were divided by Non-Hispanic population to estimate Non-Hispanic average rating that was indexed to total average A18-49 ratings.
  - b. Spanish-language stations' average A18-49 ratings are the basis for estimating.
    - i. Spanish-language average HA18-49 ratings were divided by the average A18-49 ratings to estimate HA18-49 delivery off any given A18-49 TRP level purchased.

Example: In Austin, 90 A18-49 TRPs of English-language radio delivers an estimated 93.6 Non-Hispanic A18-49 TRPs and 82.8 Hispanic A18-49 TRPs.

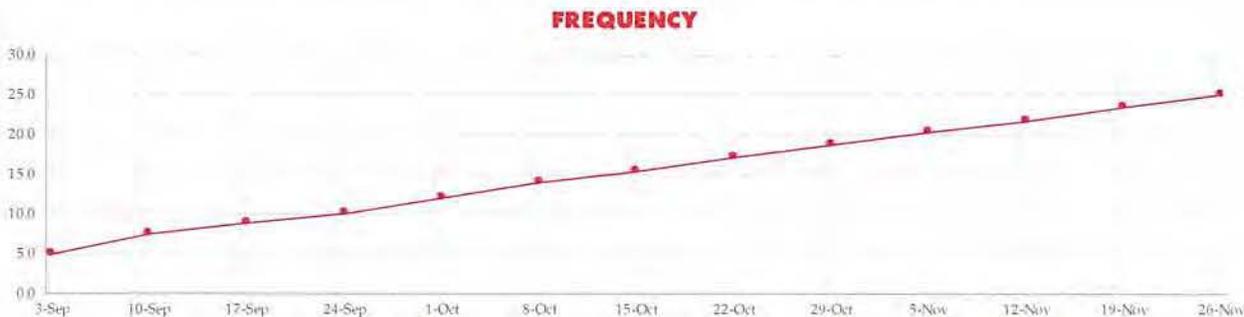
However, due to the levels of average ratings in some potential English-language stations against Hispanics, the delivery from English-language radio seems to be very high among this group. And as a matter of fact, it is more driven by the frequency of their Hispanic audience than the reach across the different Hispanic segments, meaning that the English stations' delivery is very strong among English-dominant Hispanics, but not necessarily among Spanish-dominant and bilingual Hispanics. Therefore, the methodology is used directionally and provided us with minimum threshold levels by market for a potential Spanish-language radio buy for overall delivery among Hispanics. We developed a market-by-market analysis to establish the right weight levels for English and Spanish radio.

Considering the lack of TV on the plan, we recommend a strong presence on radio. Therefore, our goal is to achieve four-week average reach and frequency levels of 61.1/9.81 in English- and Spanish-language radio to guarantee enough weight to generate the necessary impact. With these levels, by the end of the campaign we would achieve more than 78% reach from our ERF proprietary delivery model.



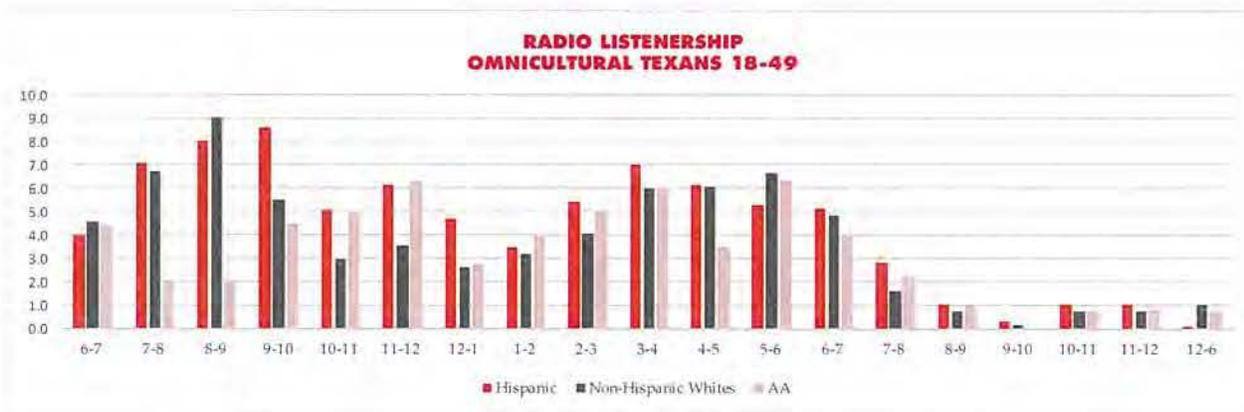
Spanish-language and English-language ratings vary by market, and the reach curve will vary by market. However, the chart above shows the potential reach levels that we will attain with radio in the different markets.

From a frequency standpoint, the campaign will achieve high levels of frequency to continually reinforce our message through this channel as shown on the chart below.



## Daypart Mix Strategy

The following chart illustrates the consumption of radio by Texans throughout the day. (Source: Simmons/Nielsen)



Multiple dayparts would be included in the schedule to maximize reach and provide efficiencies in the budget. The guide for the daypart mix was designed based on the listenership and rating combined with cost efficiency and affordability and the selection of specific stations and shows that will help us to achieve the goals among all Texans. The daypart mix may vary slightly by market to maximize the plan based on local efficiencies.

Our daypart mix for all markets will consist of heavy levels during AM Drive and PM Drive; at least 60% of the budget allocation should be between these two dayparts to guarantee presence in key hours when our audience is actively listening to radio. However, in some markets and particularly on Spanish-language radio, considering the strong delivery of the key stations on average rating and audience concentration from 6AM to 7PM and for cost efficiency and affordability, when possible the daypart mix could consist of ROS 6AM to 7PM during weekdays and 9AM to 4PM during weekends (this varies by market depending on the stations' performance per daypart). The advantage of this approach is the cost reduction for using an open daypart, and in some particular cases daytime has even higher ratings for some stations. In the following chart we see an example of a radio ranker that illustrates this point.

In the sections with the red rectangle, we see the average rating and the cume audience of the different dayparts and as mentioned before, there is not a big variation in the ratings and cume audience on key stations. This is one of the particular cases in which a rotator buying approach from 6AM to 7PM may apply, bringing higher delivery due to higher ratings during daytime and may also provide savings of around 15% to 20% compared to a buy broken by dayparts.

**Custom Houston-Galveston 3BK Jan17-Mar17 MSA ARB PPM Hispanic Adults 18-49**

Rnk	Station	AQH Rtg	AQH Shr	AQH	Cume	Cume Rnk	TSL	Station Format	Owner
<b>M-Su 6a-12m</b>									
1	KLTN-FM	1.7	15.4	21,300	453,100	3	5:55	Mexican Regional	Univision
2	KLOL-FM	1.3	11.8	16,400	553,800	1	3:44	Spanish Contemporary	CBS Radio
3	KOVE-FM	0.9	7.9	10,900	373,100	6	3:41	Spanish Adult Hits	Univision
4	KAMA-FM	0.7	5.9	8,100	419,000	4	2:26	Spanish Contemporary	Univision
6T	KQQK-FM	0.5	4.3	5,900	262,800	10	2:50	Mexican Regional	Liberman Broadcasting, Inc.
9T	KTJM-FM	0.4	3.6	5,000	250,500	11	2:31	Mexican Regional	Liberman Broadcasting, Inc.
20T	KQBU-FM	0.1	0.7	1,000	94,200	21	1:20	Mexican Regional	Univision
20T	KCOH-AM	0.1	0.9	1,200	50,600	26	2:59	Tropical	Pueblo De Galilea, LLC
28T	KQUE-AM	0.0	0.3	400	26,300	31	1:55	Hispanic	DAIJ Media, LLC
28T	KLAT-AM	0.0	0.4	600	25,200	32	3:00	Spanish New/Talk/Sport	Univision
28T	KEYH-AM	0.0	0.1	100	23,100	34	0:33	Mexican Regional	Liberman Broadcasting, Inc.
<b>M-F 6a-10a</b>									
1	KLTN-FM	2.1	17.0	26,100	188,300	2	2:46	Mexican Regional	Univision
2	KLOL-FM	1.5	12.1	18,600	224,900	1	1:39	Spanish Contemporary	CBS Radio
3T	KOVE-FM	0.8	6.3	9,600	150,500	4	1:17	Spanish Adult Hits	Univision
5T	KAMA-FM	0.6	4.8	7,300	159,700	3	0:55	Spanish Contemporary	Univision
5T	KQQK-FM	0.6	4.9	7,600	112,500	6	1:21	Mexican Regional	Liberman Broadcasting, Inc.
10T	KTJM-FM	0.4	3.4	5,200	89,100	8	1:10	Mexican Regional	Liberman Broadcasting, Inc.
22T	KLAT-AM	0.1	0.6	900	9,700	32	1:51	Spanish New/Talk/Sport	Univision
22T	KQBU-FM	0.1	0.5	700	28,100	23	0:30	Mexican Regional	Univision
22T	KQUE-AM	0.1	0.6	900	15,800	27	1:08	Hispanic	DAIJ Media, LLC
22T	KCOH-AM	0.1	0.5	800	17,800	26	0:54	Tropical	Pueblo De Galilea, LLC
30T	KEYH-AM	0.0	0.0	0	3,000	38T	0:00	Mexican Regional	Liberman Broadcasting, Inc.
<b>M-F 10a-3p</b>									
1	KLTN-FM	2.3	16.3	28,800	255,300	2	2:49	Mexican Regional	Univision
2	KLOL-FM	1.6	11.4	20,200	290,800	1	1:44	Spanish Contemporary	CBS Radio
3	KOVE-FM	1.3	9.3	16,500	200,800	4	2:03	Spanish Adult Hits	Univision
5T	KAMA-FM	0.7	4.9	8,600	194,800	5	1:06	Spanish Contemporary	Univision
8T	KQQK-FM	0.5	3.5	6,200	127,600	7	1:13	Mexican Regional	Liberman Broadcasting, Inc.
8T	KTJM-FM	0.5	3.3	5,900	107,000	11	1:23	Mexican Regional	Liberman Broadcasting, Inc.
21T	KCOH-AM	0.1	0.8	1,400	21,100	25	1:40	Tropical	Pueblo De Galilea, LLC
21T	KQBU-FM	0.1	0.5	900	41,700	21	0:32	Mexican Regional	Univision
27T	KQUE-AM	0.0	0.1	100	5,700	33	0:26	Hispanic	DAIJ Media, LLC
27T	KEYH-AM	0.0	0.1	200	8,300	31	0:36	Mexican Regional	Liberman Broadcasting, Inc.
27T	KLAT-AM	0.0	0.3	500	10,000	29	1:15	Spanish New/Talk/Sport	Univision
<b>M-F 3p-7p</b>									
1	KLTN-FM	2.0	12.6	24,700	256,900	2	1:55	Mexican Regional	Univision
2	KLOL-FM	1.8	11.1	21,700	323,900	1	1:20	Spanish Contemporary	CBS Radio
3	KOVE-FM	1.3	8.2	16,100	203,500	6	1:35	Spanish Adult Hits	Univision
4	KAMA-FM	1.0	6.1	12,000	233,100	3	1:02	Spanish Contemporary	Univision
5T	KQQK-FM	0.8	4.9	9,700	138,000	9	1:24	Mexican Regional	Liberman Broadcasting, Inc.
5T	KTJM-FM	0.8	4.7	9,300	126,500	11	1:28	Mexican Regional	Liberman Broadcasting, Inc.
20T	KCOH-AM	0.2	1.1	2,200	30,500	25	1:27	Tropical	Pueblo De Galilea, LLC
24T	KQBU-FM	0.1	0.8	1,500	51,900	20	0:35	Mexican Regional	Univision
29T	KLAT-AM	0.0	0.3	500	11,700	30	0:51	Spanish New/Talk/Sport	Univision
29T	KEYH-AM	0.0	0.2	400	8,500	33	0:56	Mexican Regional	Liberman Broadcasting, Inc.
29T	KQUE-AM	0.0	0.3	600	13,800	29	0:52	Hispanic	DAIJ Media, LLC
<b>M-F 7p-12m</b>									
1	KLTN-FM	1.0	16.5	11,800	147,300	2	2:00	Mexican Regional	Univision
2	KLOL-FM	0.6	11.0	7,900	203,400	1	0:58	Spanish Contemporary	CBS Radio
3T	KOVE-FM	0.4	6.7	4,800	124,800	4	0:58	Spanish Adult Hits	Univision
5T	KAMA-FM	0.3	6.0	4,300	132,000	3	0:49	Spanish Contemporary	Univision
8T	KQQK-FM	0.2	3.9	2,800	86,300	9	0:49	Mexican Regional	Liberman Broadcasting, Inc.
8T	KTJM-FM	0.2	3.2	2,300	64,800	11	0:53	Mexican Regional	Liberman Broadcasting, Inc.
13T	KCOH-AM	0.1	1.0	700	13,000	26	1:21	Tropical	Pueblo De Galilea, LLC
13T	KQBU-FM	0.1	1.1	800	27,200	21	0:44	Mexican Regional	Univision
25T	KLAT-AM	0.0	0.8	600	9,700	30	1:33	Spanish New/Talk/Sport	Univision
25T	KQUE-AM	0.0	0.3	200	5,300	32	0:57	Hispanic	DAIJ Media, LLC
25T	KEYH-AM	0.0	0.0	0	2,100	37	0:00	Mexican Regional	Liberman Broadcasting, Inc.

Additional radio tactics will be included in the radio plan to enrich the radio impact. Local DJs will be considered for live reads and DJ endorsements to bring credibility and engagement. We will also evaluate the social networks of the key radio personalities in each market on a case-by-case basis to potentially use them as engagement channels.

## **DIGITAL RADIO**

Digital radio is a medium with fast growth and the ability to reach radio listeners, mobile users and digital users. It provides audio and video capabilities. In our experience, this vehicle is a great medium for connecting with listeners, encouraging them to take a digital action, and it usually provides a great click-through rate. Video exposure tends to be more expensive than other digital video platforms, so it is important to define the role and how this vehicle will be utilized in the plan.

The main players are Pandora and Spotify. Both are considered in the plan because there is very low duplication among their users. The main units we are considering for the plan are:

- Audio Everywhere using “Audience Segment” targeting looking for Lottery and Sweepstakes Enthusiasts including all Omnicultural Texans and using geotargeting capabilities. In this particular product, audio impressions are served across mobile, desktop, tablet, connected homes and connected cars.
- Mobile Audio using “Audience Segment” targeting looking for Lottery and Sweepstakes Enthusiasts including all Omnicultural Texans and using geotargeting capabilities. Audio impressions are served only on mobile devices and it is only audio spot in break.
- Video Everywhere potentially, depending on final CPM negotiations. Although it’s a good medium to deliver video content, the CPM is considerably higher than other video platforms. At this point we are including it in the plan, but based on final negotiations, this portion may migrate to other, more competitive digital video platforms.
- Sponsor Listening (potentially) using “Audience Segment” targeting looking for Lottery and sweepstakes enthusiasts and paying only for users consuming at least 15 seconds of brand content.

## **OUT-OF-HOME**

Delivers broad reach and high frequency, reaches our target whenever they are away from home, while commuting/driving, being a visual medium to a very mobile target. Our approach is to use the best possible OOH vehicle in each market, understanding geography and the dynamics that each market offers.

The main outdoor outlet we included in the plan is high-impact boards, bulletins on key highways, which exposes the message to a very large part of the market population. This particular type of board will reach all Texans regardless of their ethnicity. In the past, OOH was expressed on “showing,” but now there is the capability of reporting these vehicles on GRPs. The goal is 100 GRPs a week in each of the Tier 1 and Tier 2 markets.

## **OFF-LINE MEDIA ADDED VALUE**

For all off-line media, our added value goal is to achieve a 40% return on the placed media. The added value may be expressed in different media forms and will be later defined with you according to the campaign needs. As a first approach, the added value could be expressed in terms of:

- Bonus weight on radio
- Radio mentions and/or endorsements
- Event sponsorships
- Additional units

## **DIGITAL MEDIA APPROACH**

Digital media will reinforce the effect of off-line media and will help the consumers close the loop and generate meaningful conversions. Each of the digital channels proposed in this plan has its own role and will touch the consumer at a specific moment and with a specific strength. However, all results are aligned to the final goal of conversions and Texas Loteria game sales by driving users to the point of sale.

The current lottery player is aging, and younger potential players must be engaged. Digital offers the opportunity to effectively reach the younger audience in a seamless, less intrusive way.

## **DIGITAL MEDIA TRENDS**

There are some very important digital media trends to take into consideration for the digital media selection:

- Digital advertising investment will exceed the TV investment in 2018. Investment in digital media represents 37% of total media investment in the USA.
  - o It is vital for this program to have strong digital support.
- The growth in smartphone penetration is unstoppable – 80% market penetration. Unique to Millennials, the phone represents the highest opportunity medium to reach them.
  - o All our digital executions should be able to live in a mobile environment, and we will also use mobile advance targeting capabilities.
- TV content is still consumed on TV. However, devices such as mobile devices and desktops are alternative sources for this content along with connected TV. In fact, 78.5% of Internet users use two devices.
  - o TV is important, but we could achieve a lot of our goals with digital video, making our budget more efficient.
  - o Live video on major platforms like Facebook, YouTube and Instagram could potentially give a sense of urgency to viewership.
  - o 194.4 million connected TV users in the U.S.

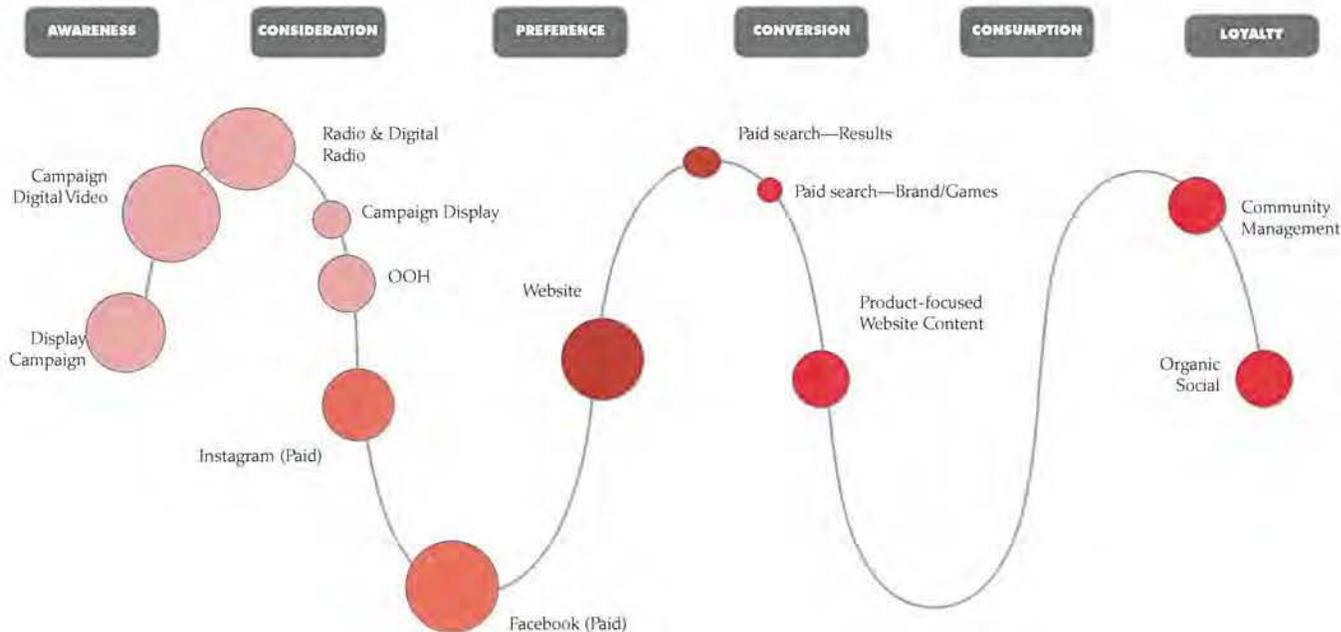
- 80% of all digital traffic in the USA will be video for 2017. Digital video is a key element in our digital media allocation.
  - o Developing video executions is key for this plan, YouTube being one of the pillars of digital video and Facebook the other.
- Social networks as providers of original produced content. With publishers like BuzzFeed seeing more than 75% of their content consumed on social platforms, these platforms have moved into this space giving advertisers an additional connection point with consumers without having to leave their social feeds.
  - o Look into Facebook Watch and similar platforms as opportunities to connect with consumers.

**DIGITAL MEDIA ROLES**

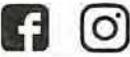
There are multiple digital touchpoints to effectively reach our audience with digital media units considering the trends described above.

The journey below entails the different touchpoints considered in our media recommendation and illustrates the integration of digital and off-line media and how each channel lives within the consumer journey.

**TEXAS LOTTERY TOUCHPOINT STRATEGY**



Social media, mobile, search and video platforms are key for a strong digital delivery in this plan. Each medium and each execution has its own tactic to achieve the overall objective.

<b>CHANNEL</b>						
<b>ROLE</b>	Facebook & Instagram	SEM	Programmatic Video Platforms	YouTube	Mobile Target	Programmatic Display
<b>OBJECTIVE</b>	Communicate our message in a social environment, engaging consumers to play and to share the excitement of the game. Also use the platform for social video exposure including live video.  Potential Influencer Space	Maximize opportunity by providing information to users looking for information on the game or any other Lottery and Scratch-off game	Maximize video exposure on desktop and mobile devices to increase awareness and trial	Expose videos on a pure video platform, utilizing different YouTube TrueView techniques to maximize exposure directed to potential players  Potential Influencer Space	Expose the message to a mobile target, close to points of sale and at points of sale. Customize messages by audiences, locations and stage on digital journey.	Maximize delivery across all potential players
<b>MEDIA KPIs</b>	Reactions Engagements Video Views App Downloads	CTR Clicks AVG. Position CPC	Video Views Video Completion Rates	Video Views Video Time Spent	CTR Engagement	Impressions CTR CPC App Downloads

Even though the above-mentioned KPIs will be monitored, we will make sure that we monitor reach in order not to sacrifice message amplification to potential Texan players.

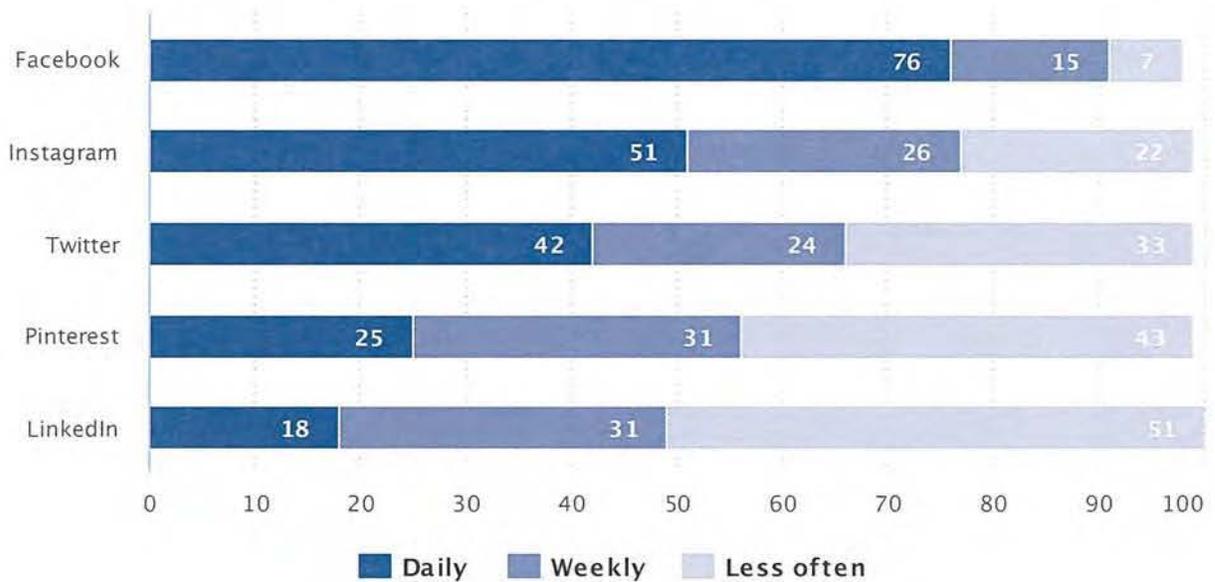
**PAID SOCIAL MEDIA**

Maintain paid social media support in key social channel(s) to provide continual and relevant presence in the social environment where our target lives and can be engaged to participate in the Texas Loteria game. Our proposal is to concentrate social media budget allocation in the main social channels for our potential players, maximizing the impact in the strongest social outlets.

It is important to emphasize that there is no more “free” on social media; for example, organic reach on Facebook has drastically dropped to around 1% for many brand pages, and even with millions of followers, only a few thousand will see the content. Therefore, it is key to maintain a continual, strong paid media schedule throughout the campaign.

It is not necessary to be in all social media channels. Our recommendation is to concentrate our social media budget on the channels with the highest potential to display our message and engage our consumers with the scratch-off campaign message to generate greater sales results.

As seen in the chart below from the Pew Research Center, Facebook is the social media outlet with the highest frequency of visits by its users, followed by Instagram and Twitter.



Also, using the Facebook Insights tools, we can see that Omnicultural Texans with Lottery affinity are way more active than the rest of the Facebook universe in terms of engagement and reactions.



Facebook and Instagram also offer advanced targeting techniques and business tools to maximize the advertising results. For this particular plan, our recommendation is to concentrate the social budget on these two platforms and use them at the maximum capacity, continually monitoring and optimizing results during the three months of the campaign.

### Audiences vs. Audience

We will create multiple audiences that will allow us to conduct real-time A/B tests and optimize the social placement on an ongoing basis. We will use Saved Audiences with the different characteristics of our Texan segments, Custom Audiences based on users' interactions and reactions with our ads, allowing us to implement a consistent sequential messaging strategy, and if possible Look-Alike Audiences using the current Texas Lottery database.

With over 90 million users, Instagram is one of the best and most-used photo sharing platforms, enabling you to share photos as well as short videos with your followers. There are over 55 million photos shared on Instagram every day, and it is a great channel to distribute our videos and also post via Instagram stories.

Facebook and Instagram allow for different creative executions that may be classified by the specific KPI defined by execution. In the case of the Texas Loteria Scratch-off game, these platforms will be key to display our videos and for consumer engagement generation.

The main executions for the Texas Loteria campaign on Facebook and Instagram will consist of:

- Social Videos:
  - o The KPIs will be video views and time spent, but other metrics will also be measured, such as impressions, clicks and engagement.
- Live Videos:
  - o With this particular execution we may use key Texan influencers and generate awareness and engagement among Texan Facebook users. KPIs will be video views and engagement.
- Posts:
  - o Promote different types of posts, such as photo posts, GIFs or carousels. These executions will be optimized toward engagement.
  - o Messenger ads that will act to increase Reach, Brand Awareness and Messages point of contact
  - o Messenger filters with the Texas Loteria background to promote sharing and amplify organic reach

We do see a potential in driving app downloads as a conversion point to show brand purchase intent and as an opportunity to start building up a more robust digital ecosystem. Social media will also be used with this purpose.

*In the same way, we consider the website a good digital destination that provides information and education about the Texas Lottery. As it pertains to this exercise, we have decided to have a stronger awareness play but with the potential to optimize toward this KPIs at any given point during the overall Texas Lottery campaigns if seen necessary: CTR (to website)*

## **Search SEM and SEO**

The goal is to be present when anyone in our target is interested in a set of keywords around "Loteria" or any other Scratch-off game. A keyword campaign is included in the recommendation to assure presence at moments of interest. We will analyze and use Google advanced tools to determine the optimal list of keywords that our potential players may type when interested in playing. A potential development of Google Ad Groups will be analyzed, and the definition of the final consumer journey will be created. Our objective is to send users where our content (mostly video) is hosted, encouraging consumers to buy this particular game. This will increase the number of potential video views, but more importantly, these videos will be shown to Texans who expressed an interest in the game and are potentially more likely to buy the Texas Loteria game.

## **Mobile Devices**

All the digital executions in the plan will live primarily in a mobile environment. Based on the digital consumption patterns, the majority of digital consumption by Omnicultural Millennials is on these devices.

In addition to that, our proposal is to use advanced mobile tools and technologies that allow us to reach our potential consumers not only based on their demographics and psychographics, but also based on their purchasing habits and locations. With this technology we can reach consumers when they are at the point of sale or when they are close to the point of sale and show them directions. Also we could reach consumers that we know have purchased scratch-off games and visit convenience stores or other points of sale of the Texas Loteria games frequently.

With this tool we can also serve different customized ads according to the different interests or mindsets of the different potential consumers of the Loteria scratch-off game.

The journey of consumers in this medium is simple: They are exposed to a banner on a mobile app or website they may be using, and by clicking on that banner will be directed to a full screen of the Texas Loteria game without abandoning the app. In that full screen we will have the options to display a static message or video, with multiple potential tools to maximize engagement. Based on the location of the phone when sending the banner, the distance to the closest point of sale is available to the consumer, and with a simple click, it can provide the directions to the place.

## Digital Video Platforms

Video platforms will expand the message among digital consumers. With impressive and efficient delivery levels and cost per video views, these platforms also offer a very high completion rate, assuring that the message is fully delivered and providing intelligence to determine engagement levels. Programmatic platforms such as Viant, Dynamic and/or TubeMogul are included as channels to maximize our awareness and customize our messages based on consumers' engagement and preferences.

Videos are displayed to consumers when they are checking information on different sites, and options like pre-rolls or mid-rolls tend to be very effective. These platforms allow us to have the users watching our video before or in between programming or videos with the option of making our messages skippable or not. Our recommendation is to do skippable videos to measure the real interest of the audience and its spontaneous completion rate rather than obligate them to watch our content.

With these video platforms our goal is to display the message as much as possible to digital users and potentially retarget users that have expressed interest in engaging messages to motivate them to play.

We are also including YouTube in the plan. Using their TrueView tools, the brand only pays when users have seen 30 seconds of the videos or completed videos if they are shorter than 30 seconds. YouTube targeting capabilities will allow us to reach users by behavioral targeting and will be also combined with the search strategy to provide video content to people looking for Texas Lottery information.

## Programmatic Display Placement

The plan also contemplates the distribution of digital banners to generate a massive digital delivery with high-value impressions at a very efficient cost, optimizing interactions and potential clicks. Platforms such as DataXu and Viant may be incorporated into the plan. Even Google Display network placement is an alternative based on the budget and the campaign dynamic. All variables will be measured to select the right platform, including CPM, CPC, Cost per App Download and viewability levels among others.

As with SEM clicks, our idea is to send users who clicked on a platform with our different videos, providing at least two digital touchpoints for people who have expressed interest by clicking. Or to direct them to the app store for app downloads.

For display, our proposal includes "Iconic Display Units" with screen takeovers that allow users to interact with the brand by checking out videos or clicking on sections within the screen takeover. In the past, to be able to get the screen takeover, it was necessary to block the whole day of a given site. Now with the digital platforms we work with, we can customize it and run them based on users' preferences without having to invest huge amounts on roadblocks.

## MEDIA ALLOCATION

As defined in the "Market Analysis" section, four Tiers were created and will help us align the distribution of the media allocation with the business opportunity. In terms of media coverage, our recommendation is to use the following distribution:

Markets	Radio	OOH	Experiential	Digital Radio	Digital
Tier 1	X	X	X	X	X
Tier 2	X	X	X	X	X
Tier 3	X			X	X
Tier 4				X	X

Digital media, including digital radio, will cover the whole state and will be invested according to the population and opportunity in key areas. However, a considerable number of units and their geographic distribution will be driven by the interest in the game and digital users' demand and interactions. With this approach, we guarantee presence all over the state, enough weight in key markets and a natural or consumer-driven exposure based on local digital interest and interactions.

Our proposal is to have a radio schedule in the Tier 1, 2 & 3 markets that represents more than 95% of Omnicultural Texans and to vary the radio weight by Tier.

OOH will be an integral part of the plan in Tier 1 and Tier 2 markets.

With this media distribution:

- Tier 1 markets account for 77% of potential players in the state. These markets will have a very strong plan with multiple media touchpoints, including radio at a strong level, OOH and digital.
- Tier 2 markets account for 13% of potential players in the state. These markets will also have a strong plan with multiple media touchpoints including radio at mid level, OOH and digital.
- Tier 3 markets that represent about 5% of potential players in the state will have a mid-low radio level and digital media coverage.
- Tier 4 markets that represent about 4% of potential players in the state will have strong digital media coverage. We will continually monitor and optimize the digital plan as it runs to ensure that these geographic areas have enough digital media presence to encourage the local player to buy the Texas Loteria games.

## **MEDIA FLIGHT STRATEGY**

The campaign runs for three months during which time we will include radio and digital media throughout the entire flight and reinforce the first part of the campaign with OOH in the Tier 1 & 2 markets.

The radio flights consist of three 3-week flights with a hiatus week in the middle. With these flights our goal is to generate enough awareness and frequency during this period to leave the rest of the media channels in a strong position for the rest of the campaign.

OOH is also planned to support the front end of the campaign with eight straight weeks of OOH support. The idea is to extend those weeks even more with added value units, potentially keeping several boards with our message until the end of the campaign.

Digital will have a continual media investment for the three months of the campaign.

## **DIGITAL SCORECARD**

As a best practice, Richards/Lerma recommends keeping track of a digital scorecard that informs on a Campaign Measurement Plan that will not only advise on optimization opportunities, but set benchmarks on media performance regarding partners and content type.

This scorecard could also serve as a way to organize and develop learning plans on possible tests to assess new media opportunities. We normally have Scorecard checkpoints on a Pre-Campaign (if benchmarks are available), Mid-Campaign (for optimization) and Post-Campaign (for reporting and findings).

Typically, a scorecard is composed of the following:

Channel	Partners	Budget	Objective	KPIs	Measurement	Benchmark
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## EXPERIENTIAL

Loteria is a game that is known for bringing people together – friends, families and even strangers – to share real experiences. So it's only natural that the promotion for the Texas Loteria Scratch-off game should translate into engaging and shareable experiences as well. The following experiential marketing plan demonstrates how we will create face-to-face touchpoints at key events across the state to build awareness (non-selling) and generate trial (selling) of the Texas Loteria game and its growing suite of Scratch-off cards. We can also layer public relations expertise to any activation, working in conjunction with you.

### EXPERIENTIAL EVENTS SITE SELECTION

In order to maximize the efforts of our experiential plan, we recommend an event tour that gives Texas Lottery a presence during sporting games, community festivals and so forth, that over-index among our target audience. The following sites and events are recommended to best reach the target to spread awareness and generate trial of the Texas Loteria scratch-off game.

**Market:** Houston

**Event:** University of Houston (UH) Football

**Location:** TDECU Stadium

**Dates:** 2018 season runs September through December

**Description:** The Houston Cougars football program is an NCAA Division I FBS football team that represents the University of Houston. Home games are high-traffic sporting events, attracting 40,000 fans who over-index as desired target audiences. The games are high energy and fun, creating a natural tie-in feeling for the Texas Lottery. Activations would occur in the concourse area of the TDECU Stadium, the home of UH football, which is busy with foot traffic as fans mingle and visit concession and retail stations. Fans are also on the lookout for entertainment opportunities before and after the game as well as during halftime and are primed for engagement. Brand ambassadors would be present at the site to actively engage fans to stop and take in the activation experience, creating opportunities for social sharing and direct audience interaction.

**Market:** Tyler

**Event:** East Texas State Fair

**Location:** Tyler Fairgrounds

**Dates:** September 21–September 30, 2018

**Description:** Known for offering fun, food, music and moos, the East Texas State Fair is the largest event in East Texas, a market that indexes high in desired audiences for the Texas Lottery. Its average annual attendance is 260,000 guests. It is a fun and family-friendly environment that lends itself to an equally fun activation by the Texas Lottery. The activation at the fair would occur outdoors, and a covered location can be secured, if needed. During the fair, guests walk the grounds looking for opportunities to enjoy activities. An activation such as ours would be highly desired by families and other guests as it comes at no additional cost and offers a fun diversion. To pull participants into the activation site, brand ambassadors will

present a friendly offer to stop in, rest a spell and participate in the experience. While there, guests can share their experience on social media and directly engage with brand ambassadors trained to serve as highly knowledgeable brand advocates.

**Market:** Dallas

**Event:** State Fair of Texas

**Location:** Fair Park

**Dates:** September 28–October 21, 2018

**Description:** The State Fair of Texas is an annual state fair held in Dallas at historic Fair Park. In 2017, the Fair welcomed approximately 2.2 million people through its gates. This event over-indexes with target audiences. A celebration of all things Texan, the fair's energetic, family-fun environment creates a perfect segue to a connection with the Texas Lottery. The activation at the fair would be outdoors in a covered and secured location as it will activate and host participants throughout the entire run of the fair. As with all activations, brand ambassadors serving as a street team would engage audiences, inviting them to participate in the activation experience. The activation will also feature opportunities for social sharing and direct conversations about the Texas Lottery.

**Market:** Austin

**Event:** ACL Music Festival

**Location:** Zilker Park

**Dates:** October 5–7, 2018 and October 12–14, 2018

**Description:** The Austin City Limits (ACL) Music Festival is an annual music festival held in Zilker Park on two consecutive three-day weekends. It's a high-traffic event annually attracting 450,000 attendees. This event also over-indexes with audiences desired by the Texas Lottery. For this site, the activation would occur outdoors, taking advantage of the available green space. The site's footprint will see brand ambassadors working the activation to actively bring people into the experience and create those opportunities for engaging in one-on-one conversations and social media sharing.

**Market:** San Antonio

**Event:** San Antonio Spurs game

**Location:** AT&T Center

**Dates:** Spurs season begins October 17, 2018. Game availability in October and November.

**Description:** One thing is certain: the San Antonio Spurs are loved by their city and fans. The professional basketball team is a member of the NBA's Western Conference Southwest Division. The team plays home games at the AT&T Center and routinely sells out the venue, which holds 18,000 people. Spurs games are high spirited, rowdy and great fun. Fans are zealots eager to engage in all that a Spurs game has to offer. This audience over-indexes with the Texas Lottery's desired audiences and is easily persuaded to engage in fun activities before and after the game as well as during halftime. The activation at the Spurs game will occur inside the AT&T Center in its concourse. Here is where fans can be found

enjoying other fan activities created for them by the Spurs organization and by participating sponsors. Brand ambassadors will work to engage with audiences as they look for entertainment and provide the perfect diversion in the form of a free experience that is just as thrilling as the game. Social sharing at Spurs games is huge, and the activation featuring the Texas Lottery would find itself among the content generation opportunities.

**Market:** El Paso

**Event:** University of Texas at El Paso football game

**Location:** Sun Bowl

**Dates:** 2018 season runs September–December

**Description:** The UTEP Miners football program represents the University of Texas at El Paso. The Miners play their home games at the Sun Bowl with attendance averaging more than 20,000 people. The market of El Paso indexes high for the Texas Lottery among its audiences with fans in the market passionate about supporting their hometown team. The activation would take place in the concourse of the Sun Bowl where fans gather to enjoy concessions, retail shopping and other fan-related activities. As with most sporting events, fans eagerly seek out free giveaways and gaming opportunities. Capitalizing on this momentum, the activation's brand ambassadors would invite these eager fans to partake in the thrill of the experience presented by the Texas Lottery. Sport fans are also big on sharing what they're experiencing at the game on social media as a form of connection. This creates a natural opportunity for them to want to share their experience at the Texas Lottery activation and share their story through photos and videos.

#### **The Experiential Activation Includes:**

- Direct face-to-face interaction with target audiences.
- Conversation starters that educate and excite participants.
- Use of fun, interactive activities to grab audience attention.
- Branded campaign imagery and messaging in all visuals.
- Opportunities for social media sharing and content generation.
- Bilingual brand ambassadors working to create a fun, welcoming and engaging atmosphere.
- Visual backdrops for creating media interview opportunities.

#### **Experiential Activation Social Media Tie-in:**

The highly visual, experiential nature of the activations creates stellar opportunities for social media content generation and sharing among audiences. Several assets will be developed for use on social media with the intention of driving Texans to actively engage with the Texas Lottery not only at activations, but also independently online, maximizing exposure of the campaign. During the activations, participants will be instructed to go online to participate in these insta-win contests.

### **Contesting:**

Giving audiences a reason to interact on social media is critical. The chance to win a prize serves as a call to action that spurs people to become engaged. What is interesting is that people are spurred to action no matter the size of the prize. A prize of a \$10 gift card or tickets to a community event are just as likely to create interaction as a \$50 gift card. To a person playing a game or answering a trivia question on social media, the level of satisfaction derived from participating and learning they have won creates a natural high. This mimics the thrill that comes from playing the Texas Lottery and creates a natural tie-in. Therefore, contesting is a critical part of a social media strategy. Additionally, these contests can present PR opportunities.

Based on availability of prizes or incentives, which we will secure from area businesses as donations, we will develop a series of social contests in support of the experiential activations. In all instances, the agency will monitor the contests by assigning a hashtag for data collection, select winners and fulfill the prizes.

### **Proposed Contests:**

- How do you Scratch? Photo Contest – Entrants simply upload a photo of themselves depicting their most unique techniques for how they scratch-to-win.
- Make an Educator a Winner Contest – Every social media user knows at least one educator which has made or is making a difference in lives. This contest gives users a chance to reward that special educator. Users tag a friend who is an educator sharing how they have made a difference and gone above and beyond to inspire a love of learning. The nominee is then entered into a drawing for a gift card.
- Win Now, Win Instantly Contest – Simply give users the chance to win a monetary gift card from a local restaurant or retailer.
- Recognize & Reward a Veteran Contest – In a ramp up to Veterans Day, social media users will be instructed to upload a photo of a special veteran in their lives, thanking them for their service. Winners will receive a gift card or voucher to treat that veteran to a free meal.

In all the contests, local businesses will be approached to partner in these activities. In return, the partner will receive recognition for their donation on social networks for the duration of the social media contest they are participating in.

### **Editorial Calendar Development:**

To support these contests as well as create additional content for social media channels, a monthly editorial calendar will be developed to pace the timing of these insta-wins and supporting content. The agency will develop the artwork, engaging video, photo content and written copy for the contest posts. The editorial calendar will be a key component of the online strategy. It will provide frequency of posts, incorporate the use of relevant hashtags and

capitalize on seasonal and timely topical opportunities. An editorial calendar will be created for each social media channel with crossover between each platform to ensure contests run seamlessly in conjunction with each other.

**Social Videos:**

Social videos are huge attention-getters. Research shows that video posts reach a far greater audience. According to a study by Social Bakers, the average video post generates 135% greater organic reach, when compared to photo posts. Therefore, videos are an important component of a strong social media editorial calendar. In this instance, fun social videos demonstrating each social media contest. In addition, videos can be linked to from within press releases and shared with the media and the public, thus increasing views of video content and supporting a wave of strong media relations tactics.

**Blogger Relations:**

With so much online activity being generated by the proposed social media contests and additional social media assets developed for the experiential activations, it's a given that bloggers' interest will be piqued, which is where the agency swoops in to maximize this curiosity. Numerous target audiences turn to online to websites, forums and blogs for information and news. Influential bloggers are viewed by their readers as friends, advocates, trendsetters and sources for things that are happening now. Bloggers respond well to informal requests asking to have information shared on their websites. Research must be a key component of blogger relations. Before approaching any blogger, it's important to gain an understanding of the audiences their blog caters to, what type of information they share and the blog's format. The agency would take the lead on blogger relations, identifying those to be targeted, reaching out to participate in spreading the message and implementing follow-up with the bloggers.

### MEDIA FLOWCHART

	September					October					November				TRPs	Est. Impressions	Total Budget
	27	3	10	17	24	1	8	15	22	29	5	12	19				
<b>Tier 1 Markets (DFW, Houston, San Antonio, Austin, RGV)</b>																	
<b>Radio (100% 60s)</b>																	
<b>Houston</b>																	
English-Language Radio TRPs	140	140	140		140	140	140		140	140	140			1,260	37,573,200	\$192,780	
Spanish-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	10,638,000	\$99,450	
<b>Dallas</b>																	
English-Language Radio TRPs	140	140	140		140	140	140		140	140	140			1,260	39,740,400	\$192,780	
Spanish-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	28,386,000	\$91,800	
<b>San Antonio</b>																	
English-Language Radio TRPs	140	140	140		140	140	140		140	140	140			1,260	13,444,200	\$64,260	
Spanish-Language Radio TRPs	80	80	80		80	80	80		80	80	80			720	4,435,200	\$55,080	
<b>Harlingen-McAllen-Brownsville</b>																	
English-Language Radio TRPs	140	140	140		140	140	140		140	140	140			1,260	6,766,200	\$21,420	
Spanish-Language Radio TRPs	120	120	120		120	120	120		120	120	120			1,080	5,281,200	\$27,540	
<b>Austin</b>																	
English-Language Radio TRPs	140	140	140		140	140	140		140	140	140			1,260	11,037,600	\$74,970	
Spanish-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	2,727,000	\$45,900	
<b>OOH</b>																	
Bulletins & Posters	100	100	100	100	100	100	100	100	100					800	68,928,000	\$304,000	
Experiential																\$296,400	
<b>Tier 2 Markets (El Paso, Corpus Christi, Tyler, Waco, Odessa)</b>																	
<b>Radio (100% 60s)</b>																	
<b>El Paso</b>																	
English-Language Radio TRPs	80	80	80		80	80	80		80	80	80			720	2,710,800	\$7,956	
Spanish-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	2,880,000	\$22,185	
<b>Corpus Christi</b>																	
English-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	2,173,500	\$7,650	
Spanish-Language Radio TRPs	60	60	60		60	60	60		60	60	60			540	788,400	\$10,098	
<b>Tyler-Longview</b>																	
English-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	2,367,000	\$18,360	
Spanish-Language Radio TRPs	60	60	60		60	60	60		60	60	60			540	313,200	\$4,590	
<b>Waco-Temple-Bryan</b>																	
English-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	3,708,000	\$9,945	
Spanish-Language Radio TRPs	60	60	60		60	60	60		60	60	60			540	556,200	\$5,049	
<b>Odessa-Midland</b>																	
English-Language Radio TRPs	100	100	100		100	100	100		100	100	100			900	1,269,900	\$9,180	
Spanish-Language Radio TRPs	60	60	60		60	60	60		60	60	60			540	513,000	\$5,508	
<b>OOH</b>																	
Bulletins & Posters	100	100	100	100	100	100	100	100	100					800	11,472,800	\$48,000	
Experiential																\$83,600	
<b>Tier 3 Markets (Amarillo, Lubbock)</b>																	
<b>Radio (100% 60s)</b>																	
<b>Amarillo</b>																	
English-Language Radio TRPs	70	70	70		70	70	70		70	70	70			630	1,260,000	\$7,497	
<b>Lubbock</b>																	
English-Language Radio TRPs	70	70	70		70	70	70		70	70	70			630	1,115,100	\$5,355	
<b>All State (Tier 1/Tier 2/Tier 3/Tier 4)</b>																	
<b>Digital Radio (STATE TRPs)</b>																	
English-Language Radio TRPs	10	10	10		10	10	10		10	10	10			90	10,800,000	\$191,250	
Spanish-Language Radio (TRPs)	10	10	10		10	10	10		10	10	10			90	3,456,000	\$61,200	
<b>All State (Tier 1/Tier 2/Tier 3/Tier 4)</b>																	
<b>Digital</b>																	
Social															12,000,000	\$36,000	
Social Video Views															8MM	\$80,000	
SEM															10K Clicks	\$4,000	
Mobile															5MM Impressions	\$35,000	
Video Platforms															35MM Video views	\$350,000	
Display															25MM Impressions	\$50,000	
															360,674,233	\$2,518,803	

### MEDIA BUDGET RECAP

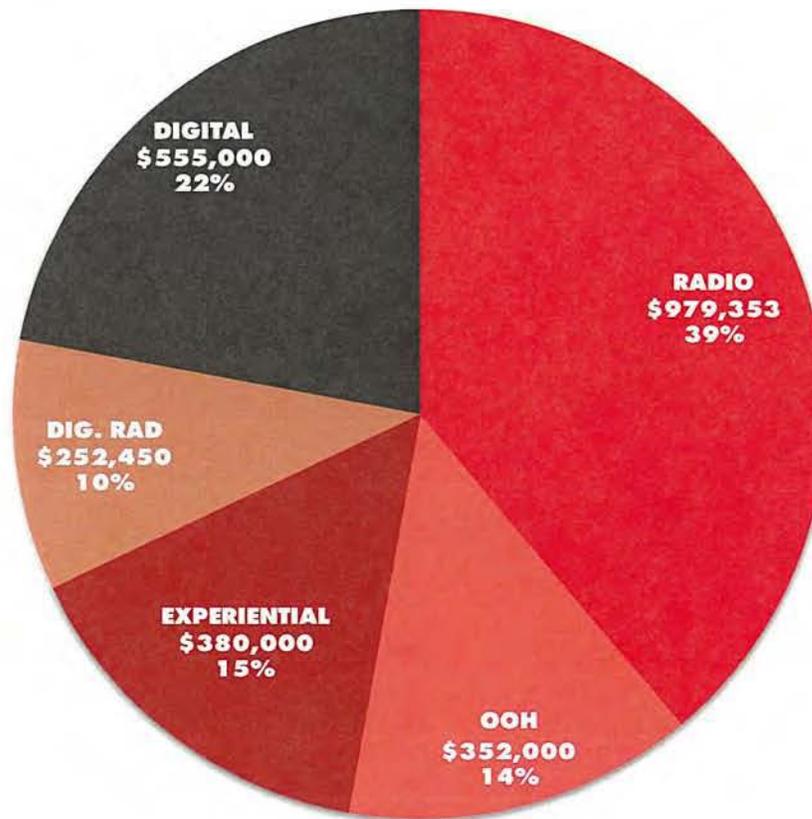
The total media investment is \$2,138,803.

According to the market opportunity, the chart below illustrates the media investment by Tier and media type.

Markets	Radio	OOH	Experiential	Digital Radio	Digital
Tier 1	\$865,980	\$304,000	\$296,400	\$252,450	\$555,000
Tier 2	\$100,521	\$48,000	\$83,600		
Tier 3	\$12,852				
Tier 4					
<b>Total</b>	<b>\$979,353</b>	<b>\$352,000</b>	<b>\$380,000</b>	<b>\$252,450</b>	<b>\$555,000</b>

### MEDIA BUDGET RECAP

The following charts illustrate the media investment by medium:



## Digital media budget breakdown

Digital	Budget	KPI	Estimate Result (KPI)	Estimated Impressions
Social	\$36,000	Engagement	90,000	12,000,000
Social Video Views	\$80,000	Video Views	8,000,000	8,000,000
SEM	\$4,000	Clicks/Visits	10,000	1,333,333
Mobile	\$35,000	Impressions	7,000,000	5,000,000
Video Platforms	\$350,000	Video Views	35,000,000	35,000,000
Display	\$50,000	Impressions	25,000,000	25,000,000
<b>Total</b>	<b>\$555,000</b>			<b>86,333,333</b>

## Overall budget breakdown

Medium	Budget	Budget
Radio	\$979,353	33%
OOH	\$352,000	12%
Experiential	\$380,000	13%
Digital Radio	\$252,450	8%
Digital	\$555,000	19%
Production	\$481,197	16%
<b>Total</b>	<b>\$3,000,000</b>	<b>100%</b>

## CREATIVE

For the purposes of demonstrating our capabilities, we are presenting three possible campaign approaches. All of them are rooted in research and built to deliver our single most persuasive idea from different angles:

*"It's not about the scratch. It's about what happens before and after.  
Before the scratch, seconds of fun, thrill, magic and wild imagination.  
After the scratch, all Texans win."*

### CAMPAIGN 1: STAY PLAYFUL

#### Strategic statement:

Our proprietary research, *Millennials Deconstructed*, showed that in today's society our audience is constantly surrounded by negative news from TV, radio, social media feeds and even in talks with friends and family. It's so bad, it's gotten to a point where our audience is starting to feel overwhelmed with negativity and that their American dream could be more of a nightmare. Despite this, *Millennials Deconstructed* also taught us that the majority of our audience has a positive outlook on life.

To better understand this mindset, we conducted additional quantitative research specifically for this assignment. The study revealed 70.1% of surveyed Texans that play or are open to playing Scratch-off games want a more playful and cheerful life.

That is why we feel the Texas Lottery could play a role in reminding Texans that, despite everything going on, there is never a bad time to bring a little bit of happiness and playfulness into our lives.

#### Why it works:

This campaign looks to change consumer perceptions of lottery games and bring cheer to moments when they need it the most, shifting their focus from possible future outcomes to the present of having fun. This message encourages those who have never played to try the Texas Loteria and remind others why they really play – for the fun rather than the outcome.

## **CAMPAIGN 2: IT'S KIND OF LIKE THAT**

### **Strategic statement:**

Our proprietary research, *Millennials Deconstructed*, taught us that those who share the Omnicultural mindset tend to be more expressive of their ideas and emotions than those who don't. Through our analysis of secondary resources we also learned that the second most important reason Texans play lottery games, and specifically Scratch-off games, is the fun emotions they evoke. Playing the lottery is a thrill to our audience.

Our additional quantitative research specifically conducted for this assignment revealed that more than half of Texans that play or are open to playing Scratch-off games believe that putting strong emotions into words is almost impossible. This tells us the excitement that comes from playing the lottery is difficult to describe. It is visceral versus rational.

Knowing this, we believe that the Texas Lottery should let Texans know about the strong positive emotions that occur when playing and relay this to the audience in the most efficient way possible.

### **Why it works:**

Through representations our audience can identify with, this campaign brings the fun and thrilling emotions of lottery scratch-off games to life. We show Texans who have never played the lottery how fun it is, while reminding lapsed players what they have been missing out on.

## **CAMPAIGN 3: YOU PLAY FOR THE FIRST TIME, EVERY TIME**

### **Strategic statement:**

Qualitative research conducted specifically for this assignment showed that playing Texas Lottery Scratch-off games generates a great deal of excitement. This led us to question if there was a correlation between the amount of excitement winning or losing brings and the frequency with which the games are played, or if the game was always seen as exciting, regardless of the outcome or frequency of play.

The additional quantitative research we performed with Texans, who either play or are open to playing Scratch-off games, demonstrated that nearly two thirds of participants didn't think that games became less exciting the more they played, and almost half of those thought that every time they played, they felt the same thrill as the first time.

This insight was key in developing this creative strategy: every time you play a Texas Lottery Scratch-off game, it's as fun and thrilling as the first time.

### **Why it works?**

By reminding our consumers that Texas Lottery scratch-off games will always be fun, no matter how much they play, we can drive frequency and incentivize trial by showing that no matter the outcome, playing is always going to be fun. Even as fun as the first time they played.

**CREATIVE INSPIRATION**

These are the stars of the show. Our inspiration.  
 And as such, we want to bring in some visual elements  
 from the actual games for the campaign identity.



# **CAMPAIGN 1**

## **STAY PLAYFUL**

## **STRATEGIC STATEMENT**

Our proprietary quantitative research confirmed that our audience is constantly impacted by negative news from TV, radio and social media feeds. They feel overwhelmed with negativity. Despite this, they remain positive about life.

In contrast, our research also reveals that 70.1% of our potential audience desires a more playful and cheerful life.

And Texas Lottery could play that role: Let's remind Texas that despite everything going on, there is never a bad time to bring a little bit of happiness and playfulness into our lives.

**SETUP**

Do you ever feel as if you're going through the motions with the same routine day in and day out? Our world is no longer simple. Sometimes it's too stressful with too many people taking life too seriously.

It's time to remind people to "Stay Playful." Let's spread some joy. Texas Loteria and all of the Texas Lottery Scratch-off games capture the fun and positive outlook Texans are looking for.

Plus, everybody feels good knowing it's for a good cause – education and veterans.

In order to make the "Stay Playful" tagline more relevant for our consumers, we're using a well-known and frequently used Spanish phrase rather than a direct translation - "Ponte de Buenas" conveys the message: "Keep the good vibes going," "Stay in a good mood," or even "Stay cheerful."

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled 8.1.4 *Creative Assignment*, sub folder *Stay Playful* to view a concept video of this campaign.

Confidentiality Claimed  
§552.104/552.110

**OOH**

For this campaign we focus on funny, clever, simple, and disruptive executions.

On the following slides, you see that we have two different ways to convey our concept:

A. Using typography and having a strong call-to-action that embraces the “Stay Playful” message.

B. Using images to show playful jokes. The printed materials spread fun everywhere, making Texas Loteria the hero in every situation.

We would also play with simple graphic visuals, having the Texas Loteria as the hero of the billboard. We will use the two main colors of the ticket to embrace the Texas Loteria game.



Outdoor Billboards

We would also play with simple graphic visuals, having the Texas Loteria as the hero of the billboard. We will use the two main colors of the ticket to embrace the Texas Loteria game.



3D Post-it Notes – Outdoor Billboards

We will also have playful headlines to communicate the “Stay Playful” message.



Outdoor Billboards

We will also have playful headlines to communicate the “Stay Playful” message. Some will be custom-made for specific events during the Sep.-Nov. period.



San Antonio, Fiestas Patrias – Outdoor Billboards

We will also have playful headlines to communicate the “Stay Playful” message. Some will be custom-made for specific events during the Sep.-Nov. period.



Houston – Outdoor Billboards



Outdoor Billboards

Imagine a close-up of fun pictures showcasing jokes. Like a chair covered with Post-its. There's no better way to communicate playfulness than this.



Outdoor Billboards

We will have playful headlines to communicate the “Stay Playful” message in Spanish too.



Spanish – Outdoor Billboards  
Stay Playful  
Supporting Texas Education and Veterans

We will have playful headlines to communicate the “Stay Playful” message in Spanish too. Some will be custom-made for specific events during the Sep.-Nov. period.



Spanish – Outdoor Billboards  
Play like an Astro. Stay Playful.  
Supporting Texas Education and Veterans

We will have playful headlines to communicate the “Stay Playful” message in Spanish too. Some will be custom-made for specific events during the Sep.-Nov. period.



Spanish – San Antonio, Fiestas Patrias – Outdoor Billboards  
Keep the fiestas going. Stay Playful.  
Supporting Texas Education and Veterans

## **TV/VIDEO**

“Stay Playful” clearly communicates that when you play Texas Loteria, you enjoy a positive, fun experience that you want to share with everyone around you – a coworker, family member, or close friend.

While these executions promote Texas Loteria, in the future they could promote any of the other 96 games by simply changing end tags and announcer messages. This allows the same commercials to promote several products and save production dollars, pending a media buy to avoid any worn-out creative.

**TV/VIDEOS: 30-SECOND "OFFICE"**



1- We open in an office. A worker is looking at his desk, which someone has completely wrapped in Post-its.



2- His colleagues look at this, surprised and amused while he leaves his office trying to find the mastermind behind the joke. He can't even control his own laughter...it's too funny.



3- Suddenly, his boss hands him a Texas Loteria Scratch-off ticket.



4- The man changes his expression into an even bigger smile and starts scratching the ticket.



5- The boss walks away with a suspicious smile, letting us know he's the joker.



6- SUPER: Stay Playful.

ANNCR: Play "Texas Loteria" \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Stay Playful!

SUPER: Supporting Texas Education and Veterans.

Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

**TV/VIDEOS: 30-SECOND "OFFICE" – SPANISH VERSION**

We open in an office. A worker is looking at his desk, which someone has completely wrapped in Post-its. His colleagues look at this, surprised and amused while he leaves his office trying to find the mastermind behind the joke. He can't even control his own laughter...it's too funny.

Suddenly, his boss hands him a Texas Loteria Scratch-off ticket. The man changes his expression into an even bigger smile and starts scratching the ticket. The boss walks away with a suspicious smile, letting us know he's the jokester.

SUPER: Ponte de Buenas.  
Stay Playful.

ANNCR: **Juega los raspaditos "Texas Loteria" de la Lotería de Texas por 3, 5 ó 10 dólares. Puedes ganar hasta \$250,000. ¡Ponte de Buenas!**  
Play "Texas Loteria" \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Stay Playful!

SUPER: Apoyando la Educación y a los Veteranos de Texas.  
Supporting Texas Education and Veterans.

Cut to logo and all the Texas Loteria tickets, showcasing the different price points.



**RADIO**

For radio, we want to keep spreading the positivity and fun of playing Texas Loteria. This will be achieved by creating spots that showcase “joke calls.”

Here, it’s important for the person receiving the call to laugh with the person who called them. This will remind consumers that no matter the outcome, every time you play Texas Loteria, Texans win because a portion of the proceeds go to Texas education and veterans.

The radio spot will have a realistic sound, making people believe it was an actual joke that got recorded and is now being shared in the media. This will give us a “viral” effect among our broad audience.

For these executions we are recommending talent that has a Hispanic flavor in their tone, to help us communicate the Loteria’s Hispanic origins as well.

**RADIO: 30-SECOND CALLS "ECHO"**

(THIS RADIO COMMERCIAL SOUNDS LIKE THE RECORDING OF A REAL PHONE CALL.)

SFX: PHONE RINGING.

MAN: Hello.

CALLER: Hello.

MAN: Can I help you?

CALLER: Can I help you?

MAN: Who is this?

CALLER: Who is this?

MAN: Is this a joke?

CALLER: Is this a joke?

MAN: Ohhh...I know who you are!

CALLER: Ohhh...I know who you are!

MAN: Hahaha. Okay, that was funny.

CALLER: Hahaha. Okay, that was funny.

SFX: PHONE HANGING UP.

ANNCR: There are better ways to stay playful. Play Texas Loteria \$3, \$5 and \$10 Scratch-off games and you could win up to \$250,000 instantly! And no, this is not a joke. Texas Loteria from the Texas Lottery. Stay Playful!

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled *8.1.4 Creative Assignment* for a recorded version of the radio spot.

**Confidentiality Claimed**  
**\$552.104/552.110**

**RADIO: 30-SECOND CALLS "ECHO" SPANISH**

(THIS RADIO COMMERCIAL STARTS WITH THE RECORDING OF A REAL PHONE CALL)

SFX: PHONE RING

MAN: Hola.

CALLER: Hola.

MAN: ¿Te puedo ayudar?

CALLER: ¿Te puedo ayudar?

MAN: ¿Quién habla?

CALLER: ¿Quién habla?

MAN: ¡¿Es un chiste!?

CALLER: ¡¿Es un chiste?

MAN: ¡Ohhh... Ya sé quien eres!

CALLER: ¡Ohhh... Ya sé quien eres!

MAN: JA JA JA OK muy chistoso.

CALLER: JA JA JA OK muy chistoso.

SFX: PHONE HANGING UP

ANNCR: Hay mejores formas de ponerte de buenas. Juega los raspaditos Texas Loteria de 3, 5 ó 10 dólares y podrías ganarte hasta \$250,000 al instante. Y no es broma. Texas Loteria de la Lotería de Texas. ¡Ponte de Buenas!

LEGAL: Apoyando la Educación y a los Veteranos de Texas.

**RADIO: 30-SECOND CALLS "JOKES"**

(THIS RADIO COMMERCIAL SOUNDS LIKE THE RECORDING OF A REAL PHONE CALL.)

SFX: PHONE DIALING.

WOMAN: Yes, can I help you?

GUY: No, I'm just looking. Hahahaha!

SFX: PHONE HANGING UP AND DIALING AGAIN.

GUY: Hello, good evening. Your two penguins are ready to be picked up.

OLD MAN: I think you have the wrong number.

GUY: Mmm, no I don't think so. It's two penguins, two.

OLD MAN: No, you dialed the wrong number.

GUY: Oh no, sir, I dialed the right...

OLD MAN: Hahaha, you got me this time, son.

SFX: PHONE HANGING UP.

GUY: Hahahaha!!!!

ANNCR: There are better ways to stay playful. Play Texas Loteria \$3, \$5 and \$10 Scratch-off games and you could win up to \$250,000 instantly! And no, this is not a joke. Texas Loteria from the Texas Lottery. Stay Playful!

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled *8.1.4 Creative Assignment* for a recorded version of the radio spot.

Confidentiality Claimed  
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**SHOPPER**

It's important to grab the attention of our audience at the gas pump. We'll bring the "Stay Playful" idea to life in-store and in POS.

SHOPPER



Poster

SHOPPER



Poster

SHOPPER

# ALL TEXANS WIN.



SUPPORTING  
TEXAS EDUCATION  
AND VETERANS



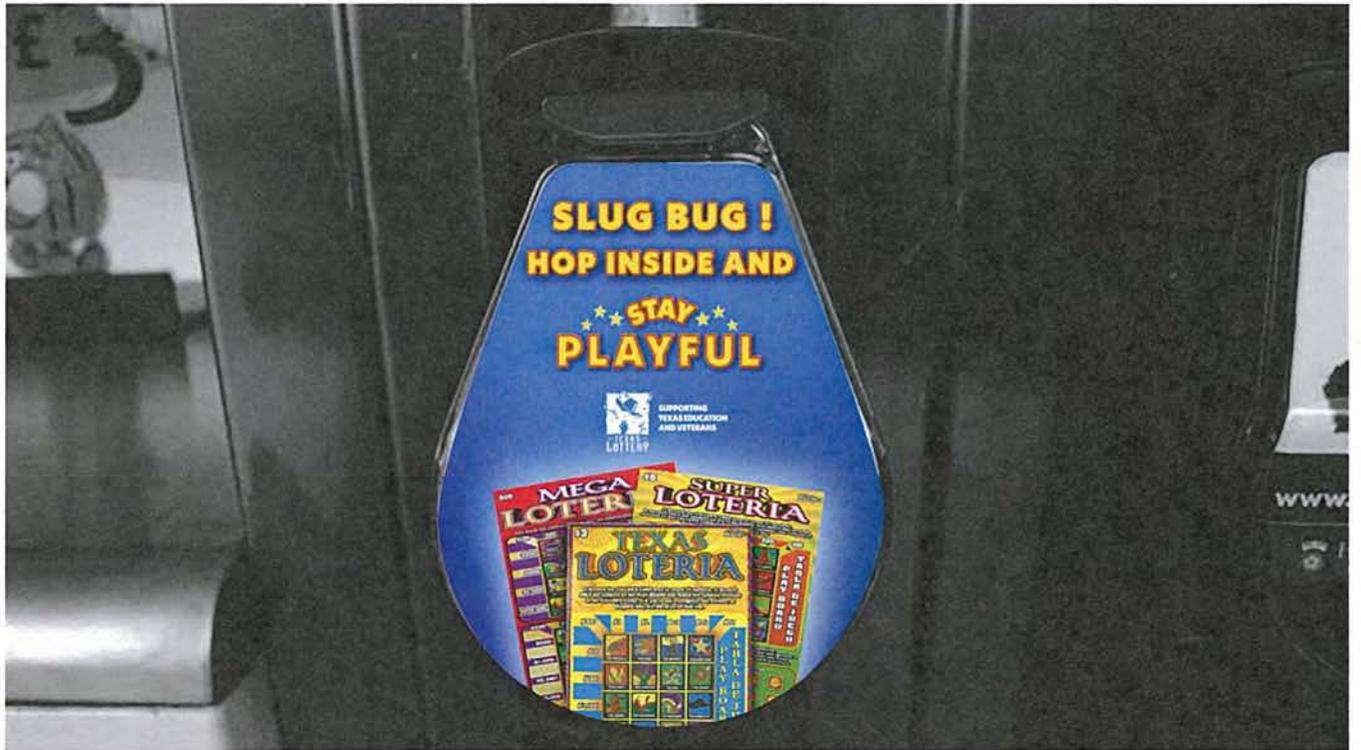
Poster

**SHOPPER**



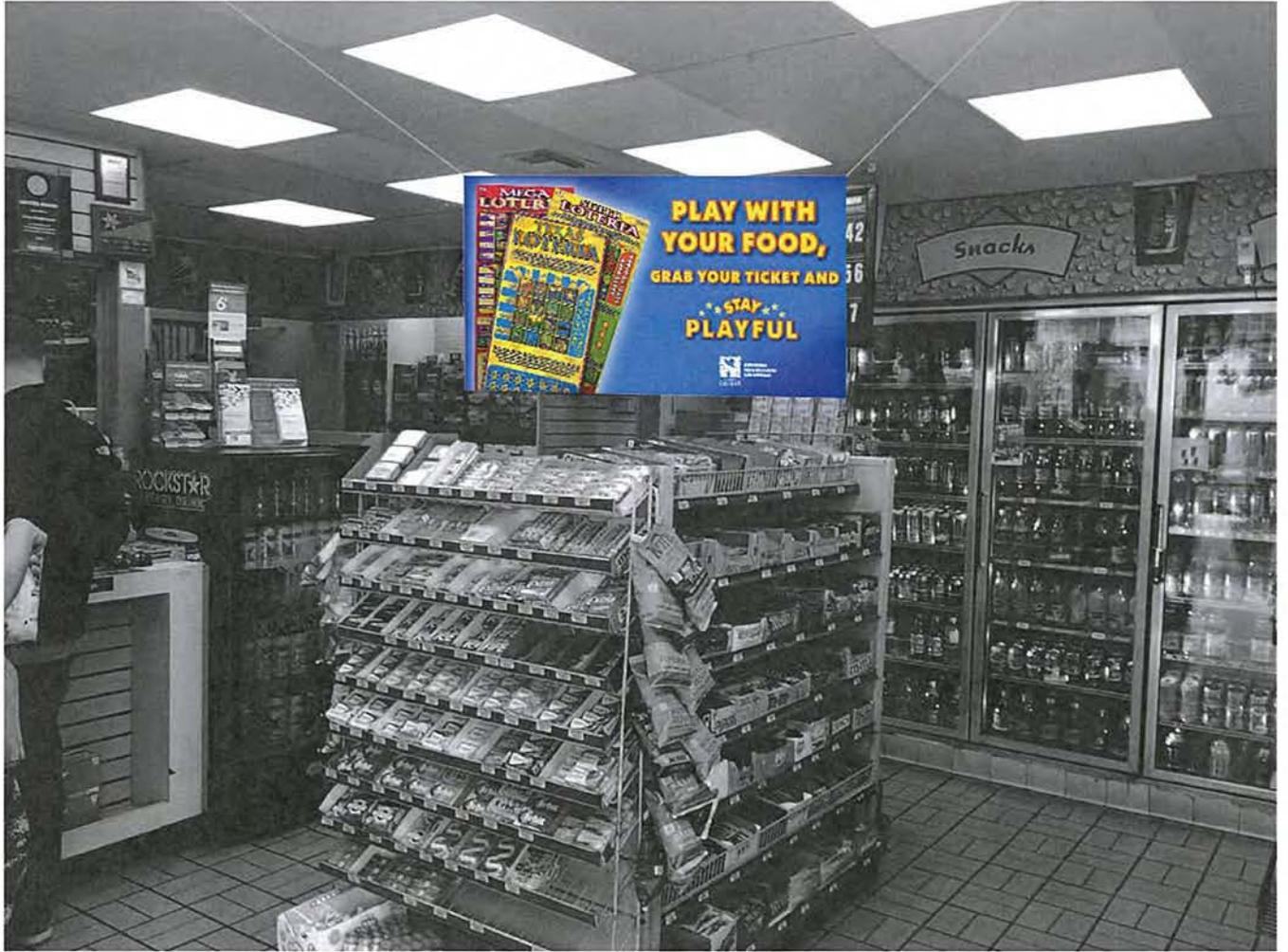
Pump Topper

**SHOPPER**



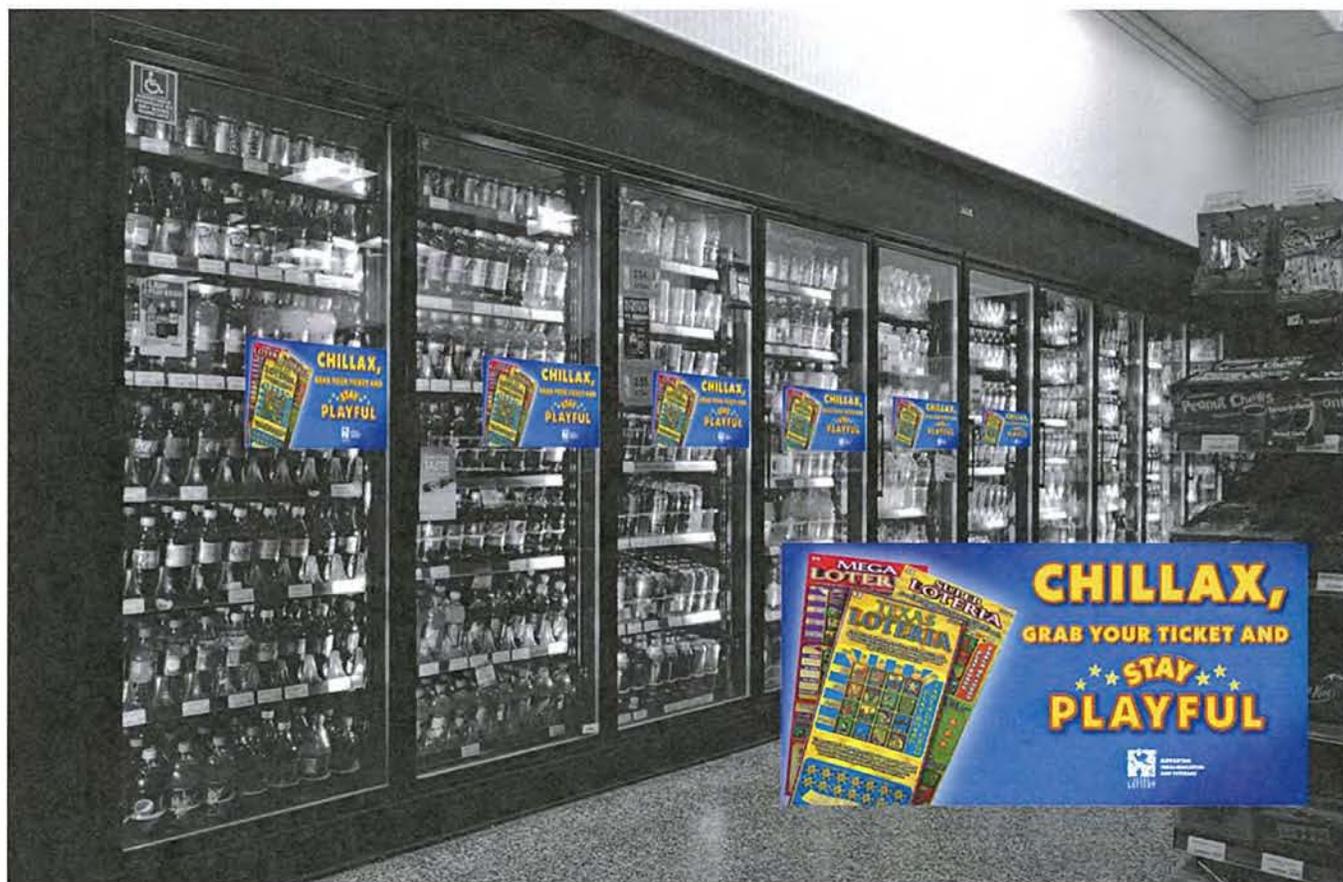
Gas Handle

**SHOPPER**



Ceiling Dangler

# SHOPPER



Fridge Decal

**SHOPPER**



Floor Decal

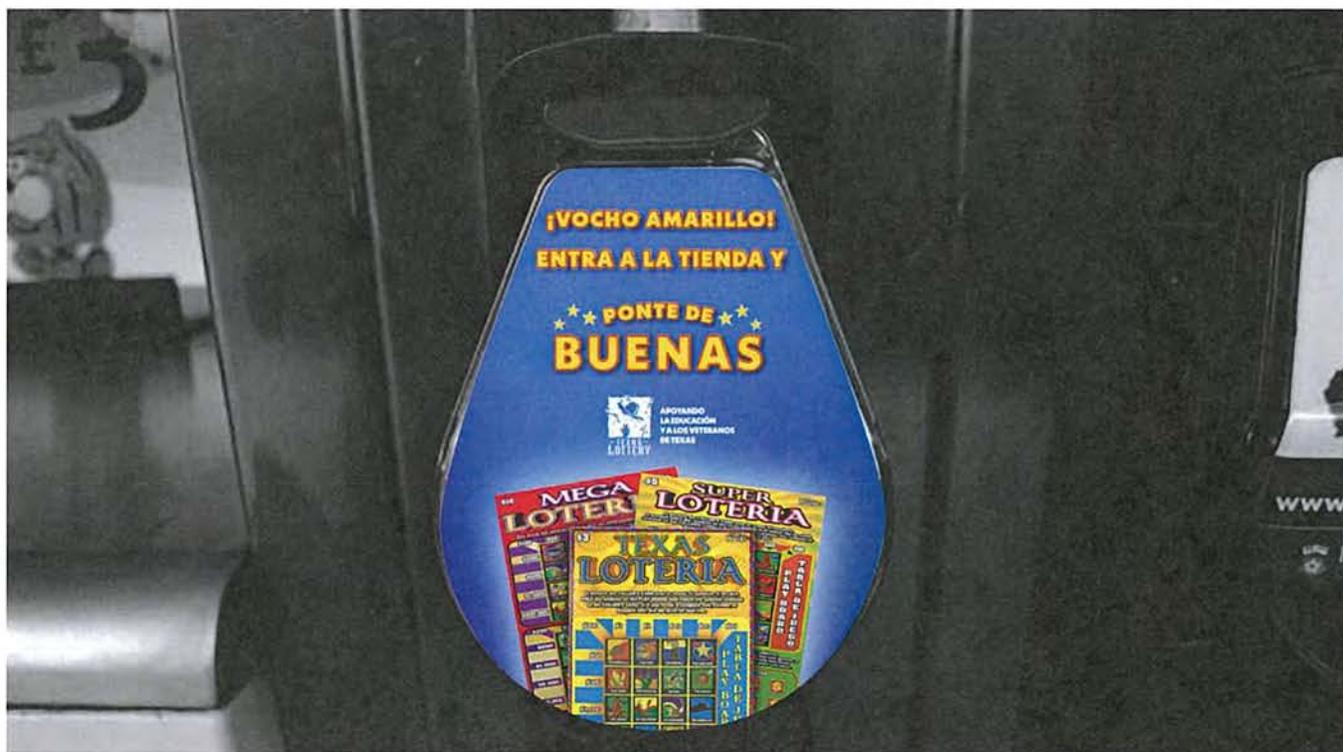
## SHOPPER



## Spanish Pump Topper

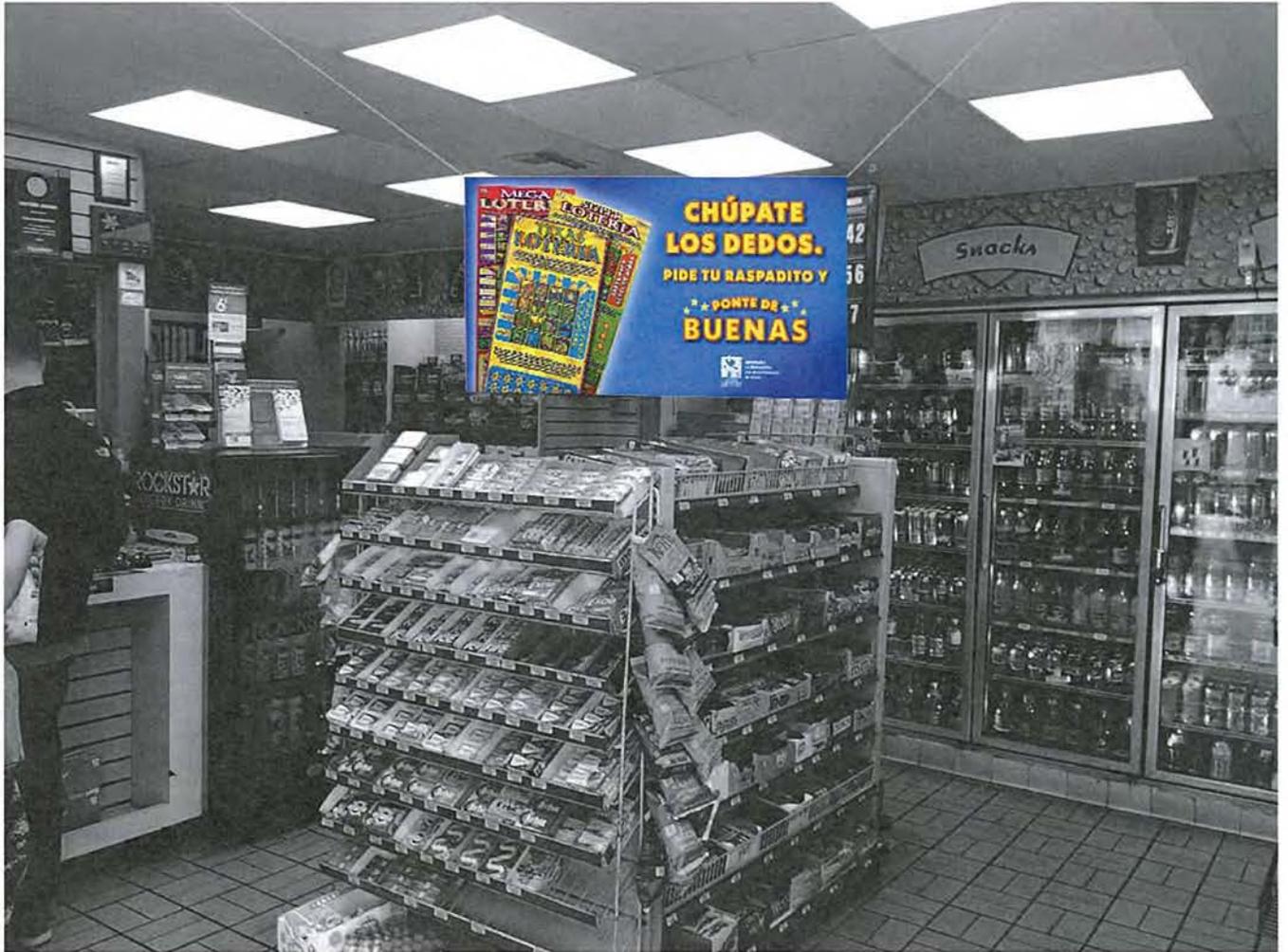
“La Cucaracha” (The Cockroach) is a famous song people play on their car horns. Play The Cockroach with your horn. Go into the store and Stay Playful. Supporting Texas Education and Veterans.

**SHOPPER**



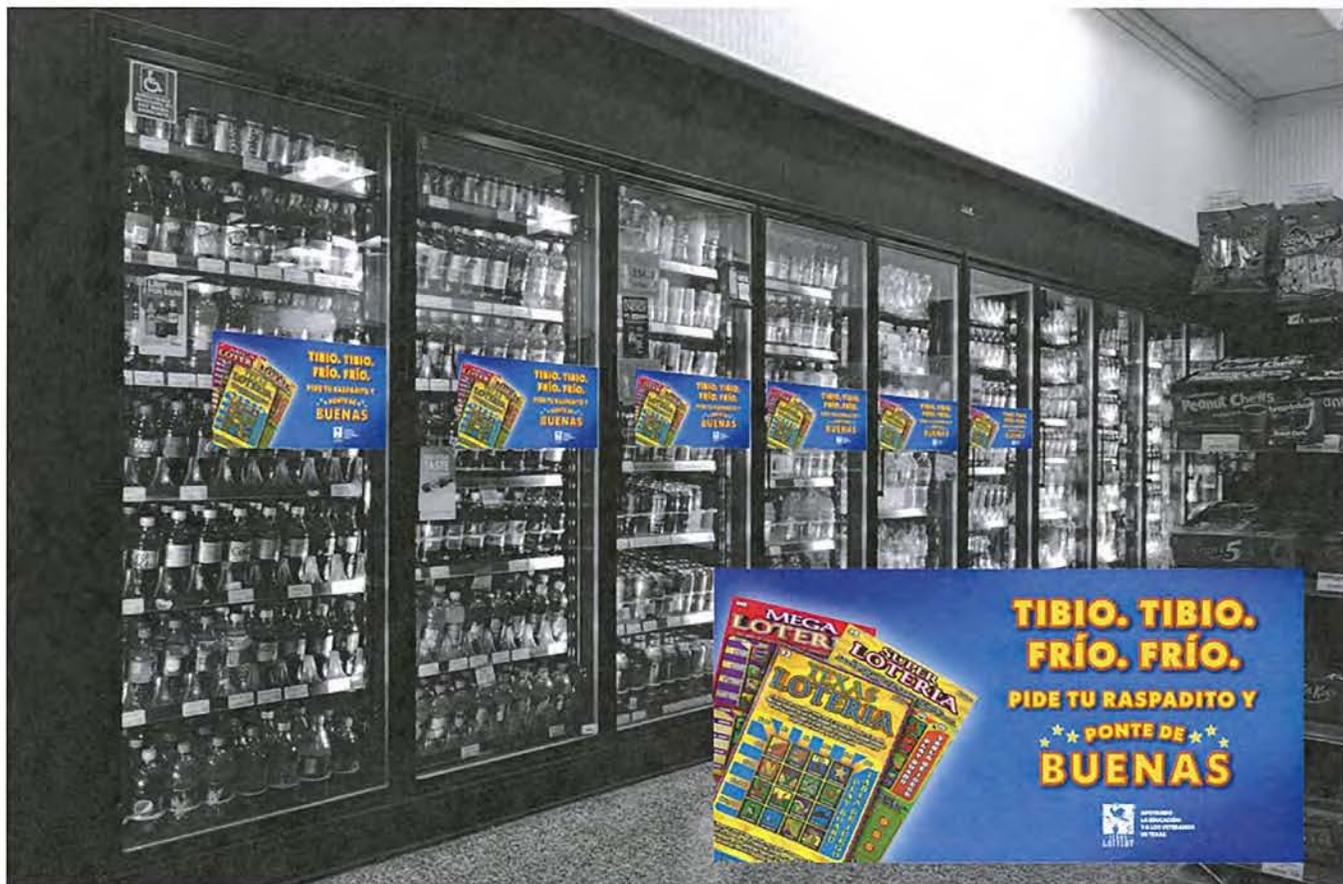
Spanish Gas Handle  
Vocho Amarillo is a popular game similar to Slug Bug. Go into the store and Stay Playful.  
Supporting Texas Education and Veterans.

**SHOPPER**



Spanish Ceiling Dangler  
It's okay to lick your fingers.  
Grab your Scratch-off and Stay Playful.  
Supporting Texas Education and Veterans.

## SHOPPER



### Fridge Decal

There is a game in which people show friends where to find stuff using only the words “cold” and “warm” to advise if they are getting closer to the goal or not. “Warm. Warm. Cold. Cold.” Grab your Scratch-off and Stay Playful. Supporting Texas Education and Veterans.

**SHOPPER**



Floor Decal  
Step by step.  
Grab your Scratch-off and Stay Playful.  
Supporting Texas Education and Veterans.

## **DIGITAL**

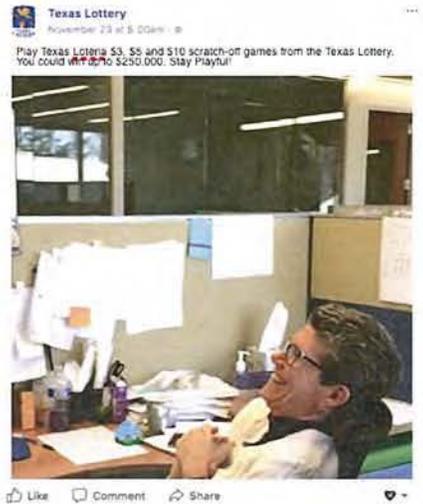
How does “Stay Playful” translate to social media? We’ll create fun and exciting videos that showcase everyday jokes people pull on friends and peers when they want to get a smile out of them. These videos will live on social media and be :15 and :06 seconds long. We’ll start a conversation that invites our audience to interact with us and encourages them to share their own videos. We may even partner with influencers in order to give away Texas Loteria Scratch-off games to the most viewed/liked videos.

### SOCIAL MEDIA VIDEO JOKES

Copy Post: Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Stay Playful!

We will create practical joke videos where people show their playful side. To create a strong tie to the Texas Loteria, a character from the game will trigger all the jokes. These videos will live on Facebook, Instagram and even YouTube, depending on duration.

Videos will be made in English and Spanish.



### SOCIAL MEDIA VIDEO JOKES

Copy Post: Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Stay Playful!

We will create practical joke videos where people show their playful side. To create a strong tie to the Texas Loteria, a character from the game will trigger all the jokes. These videos will live on Facebook, Instagram and even YouTube, depending on duration.

Videos will be made in English and Spanish.



### MOBILE BANNER (GEOLOCATION)

Imagine an ad that allows you to sample the Texas Loteria game. Just “scratch” (swipe) your phone screen with your finger and see what comes out of the boxes.



## DISPLAY BANNER

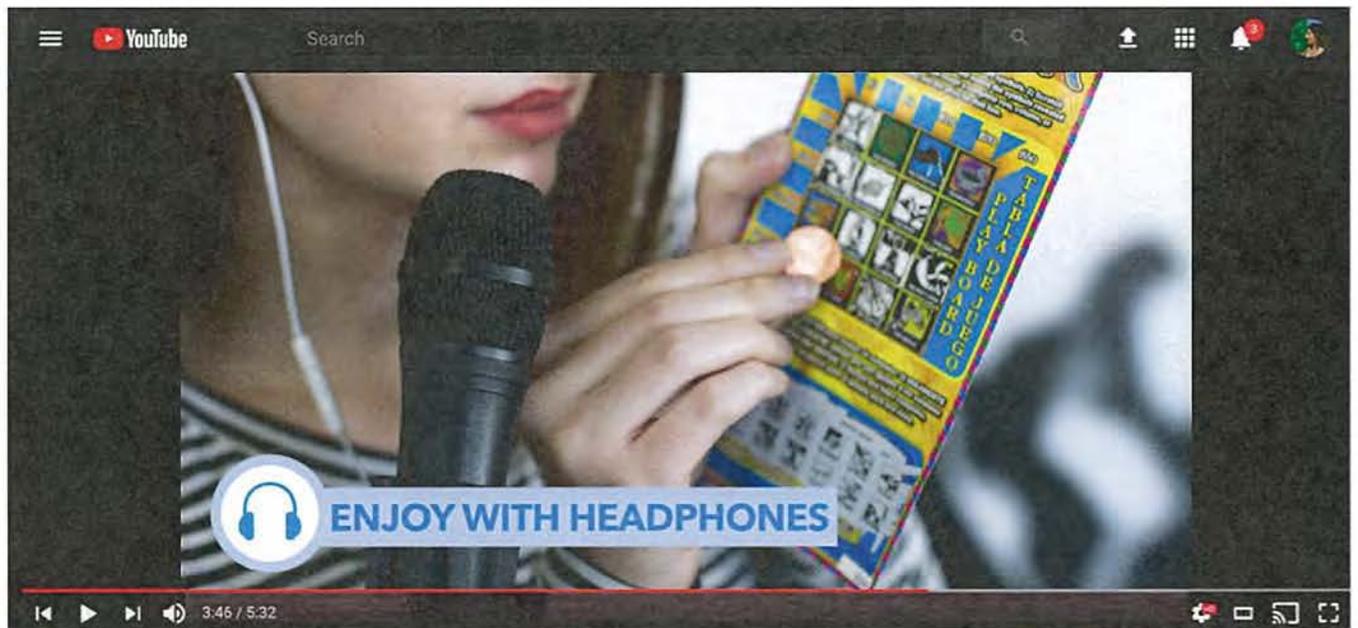
This banner will show one of the best-known jokes around: Post-it notes. This is a traditional joke that anybody can relate to. We'll see an animation that takes the Post-it notes away and reveals the Texas Loteria ticket with the copy: "STAY PLAYFUL. Play Texas Loteria Scratch-off games. Find out where."

When you click "Find out where," you are taken to an educational video.



## EDUCATIONAL VIDEO

For this tutorial video, we will feature an influencer explaining how to play Texas Loteria using the ASMR (Autonomous Sensory Meridian Response) technique. This technique is trending and the video will showcase an influencer speaking into an ultra sensitive microphone. Imagine the sound of the influencer's voice. She will be speaking softly and showing how to play Texas Loteria. She will grab a coin and we will hear an amazing sensorial experience, thanks to the scratching sound of the coin and the Scratch-off game. We will also play with the noises of each of the symbols on the ticket. For example, if she reveals the rattlesnake symbol, then we will hear the sound of a real rattlesnake. If she hits the guitar, we will hear a note with chords. The sound will be crisp, making you feel happy about it. This will not be a typical educational video. It will help us engage a bigger audience among Millennials.



47,868,979 views

267K 23K SHARE ...

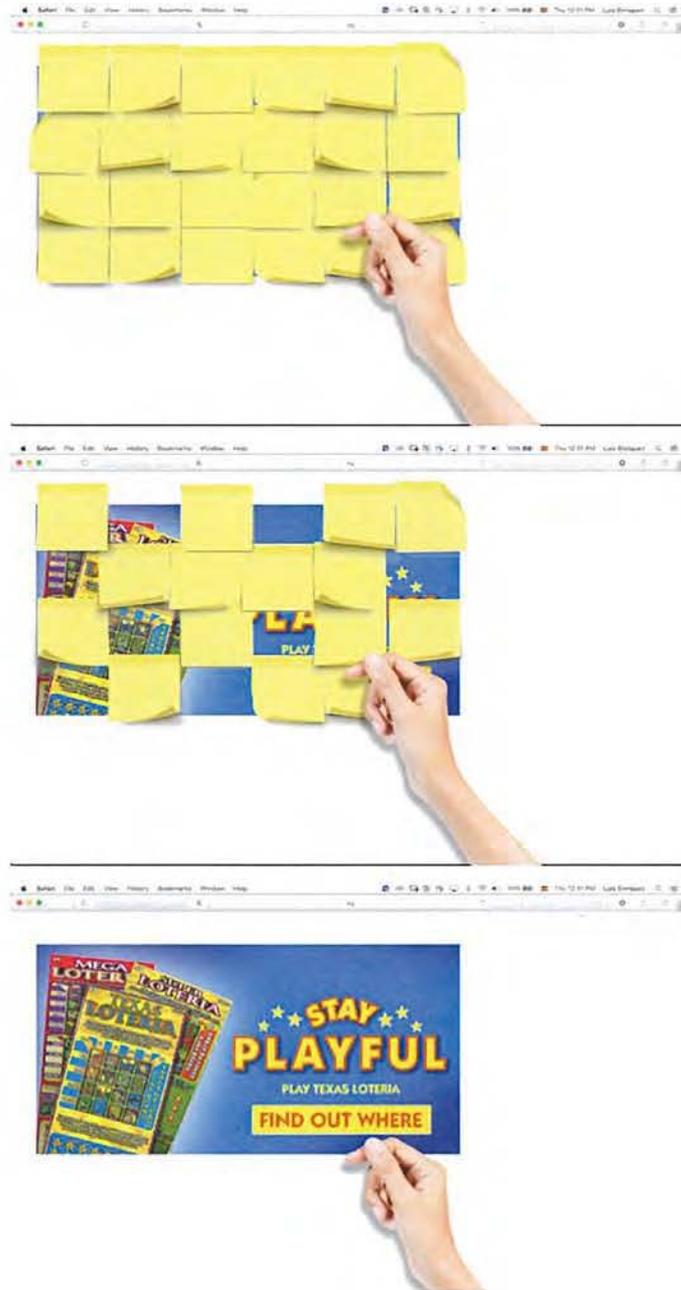
Mix - Indie music

YouTube

 Grimes - Genesis

## BANNER TAKEOVER

We will see the Post-it notes joke banner in standard size. Suddenly a hand will appear from the bottom of the page, without being a part of the Texas Loteria banner. The hand will remove the Post-it notes from the banner and reveal a phrase: "STAY PLAYFUL. Play Texas Loteria. Find out where."



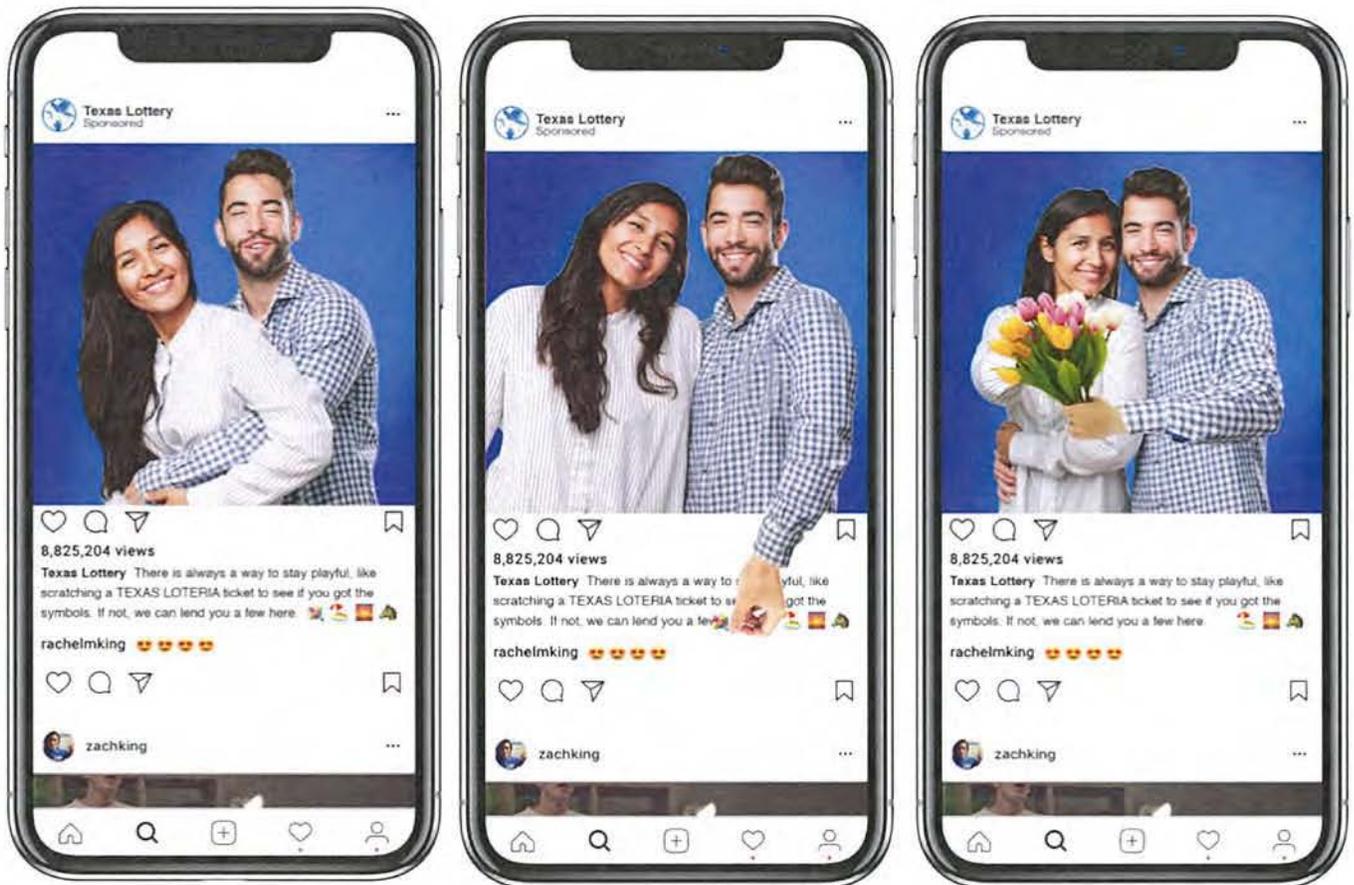
## FACEBOOK MESSENGER FILTERS

Imagine a filter that lets you put your face in one of the ticket characters such as the armadillo, rattlesnake, or jackrabbit. Users could share these filters on their social networks.



## SOCIAL MEDIA INSTAGRAM

We would like to have a couple of social media posts that “break the 4th wall” of social media, making a playful ad. For example, the video will show a person grabbing emojis from the post copy underneath. When the emoji enters the video, it would come to life. The emojis would represent images from the Scratch-off game as the person tries to grab the correct image to win the game.



## **EXPERIENTIAL – LIFE-SIZE LOTERIA STAY PLAYFUL**

True to this concept, where every experience offers an opportunity to be playful, we will create a life-size Loteria game at events, where participants are the game pieces.

### **The Participant Experience**

1. Attendees will be drawn to the Texas Loteria booth, which features an attention-grabbing branded environment, staffed by brand ambassadors who actively engage with passersby to encourage them to come try the digital kiosk game.
2. The booth environment consists of a branded tent, tables with branded tablecloths, a Texas Lottery Scratch card vending machine branded with the Texas Loteria game, and a large Texas Loteria game card laid on the ground. Note: This booth will be an addition to the existing larger branded tent that is an annual fixture at the State Fair of Texas.
3. Participants are teamed into a group of four people.
4. The four participants each go stand on one of the squares of the life-size game board.
5. One of the brand ambassadors will call out Loteria cards using a megaphone (to be heard and to attract attention of passersby).
6. If any participant is on a square that matches the called card, they use a large scraper to scratch off their square. By getting to this point, that individual wins a \$1 Texas Loteria scratch card. (Generate trial – non-selling.)
7. If the team gets four matches in a row, they all yell out “Loteria” and will each receive a \$5 Texas Loteria scratch card. (Generate trial – non-selling.)
8. Any participants who did not win will be encouraged to purchase a Texas Loteria scratch card from the on-site vending machine. (Generate trial – selling.)
9. To ensure a unique experience for each group, the individual squares on the game card are changed after each game using preprinted tiles with scratch-off stickers affixed to them.

### **Social Media Integration – Participants**

1. At the end of the game, a brand ambassador will capture a team photo using a tablet.
2. Participants’ names and email addresses will be collected to send the photo, and they will be encouraged to share using the hashtag #TexasLoteria.
3. A camera will be mounted at the site to capture video of the games for Texas Lottery to use as social content on its own channels.

## **EXPERIENTIAL – LIFE-SIZE LOTERIA STAY PLAYFUL**

### **Veterans and Education Tie-In**

To demonstrate Texas Lottery's commitment to veterans and education in our state, all veterans and educators will receive an additional \$1 Texas Loteria scratch card just for participating.

### **Concept Payoff**

This experience literally demonstrates how the Texas Loteria allows people to "Stay Playful." Spontaneous games and friendships that break out in the middle of a festival or event highlight how easy and important it is to allow yourself to let go and have fun. Friendships grow stronger, memories are made and stress melts away. This is the power of "Staying Playful," and it's all part of the Texas Loteria experience.

### **Measuring Success**

This experience will be measured through methods that track awareness, participation, sharing and trial of the Texas Loteria game.

<b>Awareness</b>	<b>Participation</b>	<b>Sharing</b>	<b>Trial</b>
Event impressions	# of participants	# of shared photos	# of free tickets given (non-selling)
Earned media impressions	# of conversations	# of hashtag posts	# of tickets purchased at vending machine (selling)
		# of shares, likes, comments	

**EXPERIENTIAL – STAY PLAYFUL**



**STAY PLAYFUL. WHY IT WORKS.**

This campaign is aimed at changing perceptions of lottery games and bringing cheer to moments when people need it the most. The message encourages those who have never played to try Texas Lottery and reminds players why they really play – for the fun rather than the outcome.

**CAMPAIGN 2**  
**IT'S KIND OF**  
**LIKE THAT**

## **STRATEGIC STATEMENT**

Our proprietary quantitative research unveiled that our prospective audience tends to be very expressive about their ideas and emotions. Through our analysis of secondary sources, we also learned that the second most important reason why Texans play Scratch-off games is the emotions they get out of playing them. Playing the lottery is a thrill to our audience.

Through quantitative research, we also confirmed that more than half of our prospective audience believes that putting strong emotions into words is almost impossible. The excitement that comes from playing the lottery is difficult to describe.

Consequently, Texas Lottery should let Texans know about the strong positive emotions that occur when playing.

## **SETUP**

Emotions are difficult to explain. So in order to communicate what's so great and fun about Scratch-off games, it's better to show how it feels to play rather than try to explain that feeling. Heart-pounding. Sweat-dripping. Everyone has a different way to describe that feeling, but we all experience that same "OMG" moment.

Grab a ticket and start scratching away. No matter the outcome, your money's going to a good cause because every time you play, Texans win.

And there's no better feeling than that.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled *8.1.4 Creative Assignment*, sub folder *It's Kind Of Like That* to view a concept video of this campaign.

**Confidentiality Claimed**  
§552.104/552.110

**OOH**

We're looking for quick engagement. And in order to achieve that, we're focusing on memorable, simple, and disruptive executions that help extend the message: "It's Kind Of Like That." Texas Loteria is one of 90+ Scratch-off games, and it's important to make an immediate, direct connection between the communication and Texas Loteria. That's why we're embracing the two dominant colors from the ticket – yellow and blue. Our goal is to create a graphic identity that gets noticed, especially at the point-of-sale, either in English or Spanish.

Imagine a giant Scratch-off card. Underneath the image, you discover a thrilling moment that is equivalent to the rush you feel seconds before playing the Texas Loteria game.



Outdoor Billboards

Imagine a giant Scratch-off card. Underneath the image, you discover a thrilling moment that is equivalent to the rush you feel seconds before playing the Texas Loteria game.



Outdoor Billboards

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Outdoor Billboards

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Spanish – Outdoor Billboards  
It's Kind Of Like That  
Supporting Texas Education and Veterans

Imagine a giant Scratch-off card. Underneath the image, you discover a thrilling moment that is equivalent to the rush you feel seconds before playing the Texas Loteria game.



Spanish – Outdoor Billboards  
It's Kind Of Like That  
Supporting Texas Education and Veterans

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Imagine a giant Scratch-off card. Underneath the image, you discover a thrilling moment that is equivalent to the rush you feel seconds before playing the Texas Loteria game.



Spanish – Outdoor Billboards  
It's Kind Of Like That  
Supporting Texas Education and Veterans

**TV/VIDEO**

"It's Kind Of Like That" allows us to customize each TV execution to show how each character has a different way of expressing the thrill of playing Texas Loteria. It also allows us to create executions that could work for other Scratch-off games. In the future, if we needed to promote any of the other 96 games, we'd have the ability to do so by simply changing the end tag and announcer message. This would mean only one production for several products, which translates into less production dollars, pending a media buy to avoid any worn-out creative. For this case in particular, we're presenting three executions focusing on characters from the Texas Loteria to show how it works specifically for this Scratch-off, per the RFP assignment ask. But please keep in mind that this structure works perfectly for other executions if we want to further discuss that.

They also work great in :15 and :30 second formats.

## TV/VIDEOS: 30-SECOND "GUITAR"



1- We open on two friends at a convenience store. One purchases a Texas Loteria Scratch-off game.



2- She scratches the Scratch-off ticket.



3- Her friend looks at her.  
FRIEND: **What's so exciting about a Texas Loteria Scratch-off game?**

PLAYER: (LOOKING AT HER FRIEND TO ANSWER)  
Well, it's like...



4- We abruptly cut to a scene that shows expectation and excitement. We see a concert of an A-list rock band. Suddenly, the leader of the band pulls our hero girl from the audience and gives her his guitar.



5- We see the emotion on her face and when she's about to start playing the guitar, we abruptly cut back to the store.



6- Now we see that her friend is the one scratching the ticket...

## TV/VIDEOS: 30-SECOND "GUITAR"



7- right over the guitar symbol, experiencing the expectation and excitement.

ANNCR: Yeah, it's kind of like that...thrilling!



8- Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

ANNCR: Play "Texas Loteria" \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Try it for yourself!

SUPER: Supporting Texas Education and Veterans.

**TV/VIDEOS: 30-SECOND "GUITAR" SPANISH**

We open on two friends at a convenience store. One purchases a Texas Loteria Scratch-off game. She scratches the Scratch-off ticket.

Her friend looks at her.

FRIEND: **¿Qué tan emocionante es el raspadito Texas Loteria?**  
What's so exciting about the Texas Loteria Scratch-off game?

PLAYER: (LOOKING AT HER FRIEND TO ANSWER)

**Bueno, es como...**

Well, it's like...

We abruptly cut to a scene that shows expectation and excitement. We see a concert of an A-list rock band. Suddenly, the leader of the band pulls a fan from the audience and gives her his guitar. We see the emotion on her face and when she's about to start playing the guitar, we abruptly cut back to the store.

Now we see that her friend is the one scratching the ticket, right over the guitar symbol, experiencing the expectation and excitement.

ANNCR: **Sí, es algo así... ¡Pura emoción! Juega los raspaditos "Texas Loteria" de la Lotería de Texas por 3, 5 ó 10 dólares. Puedes ganar hasta \$250,000. ¡Juega y siéntelo tú mismo!**

Yeah, it's kind of like that...thrilling!

Play "Texas Loteria" \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Try it for yourself!

SUPER: **Apoyando la Educación y a los Veteranos de Texas.**

Supporting Texas Education and Veterans.

Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

**TV/VIDEOS: 30-SECOND "CHILI PEPPER"**



1- We open inside a coffee shop, where a customer is excitedly scratching a Texas Loteria ticket while drinking a latte.



2- Close-up of Scratch-off ticket.



3- The barista behind the counter watches with interest.

**BARISTA:** A Texas Loteria Scratch-off game. What's so exciting about it?

**PLAYER:** Easy. It's a lot like...



4- We abruptly cut to a scene that shows expectation and excitement. We see a chili pepper eating contest. There are only two participants left, and the host opens a chest with two very small and very spicy chilis inside.



5- As the contestants look thrilled about facing this ultimate test, we cut back to the coffee shop.



6- Now we see that the barista is the one scratching the ticket and experiencing the expectation and excitement.

## TV/VIDEOS: 30-SECOND "CHILI PEPPER"



7- We see him scratching over the chili pepper symbol.

ANNCR: Yeah, it's kind of like that...thrilling!



8- Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

ANNCR: Play "Texas Loteria" \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Try it for yourself!

SUPER: Supporting Texas Education and Veterans.

## **RADIO**

For radio, we have the ability to be as customized in the media buy as we wish, and that's the beauty of this campaign's executions – we can engage the audience in different ways!

It really allows us to have simple, yet memorable work that we could showcase during specific dates through the Sep.-Nov. period or even evergreen work, if we want a more efficient approach.

For example, we could have our "Texas Raceway" execution running during NASCAR in Dallas & Austin's F1 Formula event in October. Or, we could run an evergreen spot such as "Big Moments." (This spot is all about the feeling you get when hearing amazingly good news.) Furthermore, we could run the "El Grito" spot during Hispanic Heritage Month or run an evergreen approach with "Loteria Characters."

**RADIO: 30-SECOND "TEXAS RACEWAY"**

(THROUGHOUT THE COMMERCIAL WE HEAR DIFFERENT SOUND EFFECTS THAT CREATE THEATER OF THE MIND, SHOWING HOW IT FEELS TO PLAY TEXAS LOTERIA.)

ANNCR: How does it feel to play Texas Loteria Scratch-off games?  
First, you feel calm.

SFX: WATER TRICKLING.

ANNCR: But then some excitement kicks in.

SFX: CAR IGNITION.

ANNCR: And that excitement builds.

SFX: CAR ACCELERATION.

ANNCR: And builds even more.

SFX: CAR RACING.

ANNCR: Yeah, it's kind of like that...thrilling! Play Texas Loteria  
\$3, \$5 and \$10 Scratch-off games from the Texas Lottery.  
You could win up to \$250,000. Texas Loteria from the Texas Lottery.  
Try it for yourself!

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled *8.1.4 Creative Assignment* for a recorded version of the radio spot. **Confidentiality Claimed**  
**\$552.104/552.110**

**RADIO: 30-SECOND "EL GRITO"**

(THROUGHOUT THE COMMERCIAL WE HEAR DIFFERENT SOUND EFFECTS THAT CREATE THEATER OF THE MIND, SHOWING HOW IT FEELS TO PLAY TEXAS LOTERIA.)

ANNCR: How does it feel to play Texas Loteria Scratch-off games?

SFX: CLAPPING

SFX: FIREWORKS

SFX: LOUD LAUGHTER.

SFX: SHOUTING "EL GRITO."

SFX: FAST-PACED MUSIC.

ANNCR: Yeah, it's kind of like that...thrilling! Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Texas Loteria from the Texas Lottery. Try it for yourself!

LEGAL: Supporting Texas Education and Veterans.

**RADIO: 30-SECOND "EL GRITO" SPANISH VERSION**

(THROUGHOUT THE COMMERCIAL WE HEAR DIFFERENT SOUND EFFECTS THAT CREATE THEATER OF THE MIND, SHOWING HOW IT FEELS TO PLAY TEXAS LOTERIA.)

ANNCR: ¿Cómo se siente jugar un raspadito "Texas Lotería"?  
How does it feel to play Texas Loteria Scratch-off games?

SFX: CLAPPING

SFX: FIREWORKS

SFX: LOUD LAUGHTER

SFX: SHOUTING "EL GRITO"

SFX: FAST-PACED MUSIC

ANNCR: Sí, es algo así... ¡Pura emoción! Juega los raspaditos Texas Loteria de la Lotería de Texas por 3, 5 ó 10 dólares. Puedes ganar hasta \$250,000. Texas Loteria de la Lotería de Texas ¡juega y siéntelo tú mismo!

LEGAL: Apoyando la Educación y a los Veteranos de Texas.

ANNCR: Yeah, it's kind of like that...thrilling! Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Texas Loteria from the Texas Lottery. Try it for yourself!

LEGAL: Supporting Texas Education and Veterans.

**RADIO: 30-SECOND "BIG MOMENTS"**

(THROUGHOUT THE COMMERCIAL WE HEAR DIFFERENT SOUND EFFECTS THAT CREATE THEATER OF THE MIND, SHOWING HOW IT FEELS TO PLAY TEXAS LOTERIA.)

ANNCR: How does it feel to play Texas Loteria Scratch-off games?

SFX: OFFICE.

MAN 1: You're hired. Welcome aboard!

MAN 2: Yesss!

SFX: STREET.

WOMAN: Sure, I'll go out to dinner with you.

MAN 3: (EXCITED) Great! I mean...(ACTING COOL) great.

SFX: GYM.

FRIEND 1: I got those front-row concert tickets!

FRIEND 2: Yahoo!

SFX: HOME.

WOMAN 2: Mom, you're going to be a grandma!

WOMAN 3: SIGH OF RELIEF.

ANNCR: Yeah, it's kind of like that...thrilling! Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Texas Loteria from the Texas Lottery. Try it for yourself!

LEGAL: Supporting Texas Education and Veterans.

**RADIO: 30-SECOND "LOTERIA CHARACTERS"**

(THROUGHOUT THE COMMERCIAL WE HEAR DIFFERENT SOUND EFFECTS THAT CREATE THEATER OF THE MIND, SHOWING HOW IT FEELS TO PLAY TEXAS LOTERIA.)

ANNCR: How do the characters from Texas Loteria feel when you play a Scratch-off game? The shoes say...

SFX: TAP DANCING.

ANNCR: The corn says...

SFX: POPCORN POPPING.

ANNCR: The guitar says...

SFX: FAST-PACED GUITAR SOLO.

ANNCR: And the horse says...

SFX: HORSE NEIGHING.

ANNCR: Yeah, it's kind of like that...thrilling! Play Texas Loteria \$3, \$5 and \$10 Scratch-off games from the Texas Lottery. You could win up to \$250,000. Texas Loteria from the Texas Lottery. Try it for yourself!

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled *8.1.4 Creative Assignment* for a recorded version of the radio spot. **Confidentiality Claimed**  
**§552.104/552.110**

## **SHOPPER**

So how are we going to get the attention of our audience while they're pumping gas?

We can adapt the visuals from the billboards or come up with shopper-specific executions. For example, we could partner with a C-store and create a digital ticket at the pump, so people can digitally scratch a box. If they win, they get a discount in-store when they purchase a Texas Loteria ticket.

SHOPPER



Poster

SHOPPER

# ALL TEXANS WIN



SUPPORTING  
TEXAS EDUCATION  
AND VETERANS



Poster

**SHOPPER**



Pump Topper

**SHOPPER**



Gas Handle

**SHOPPER**



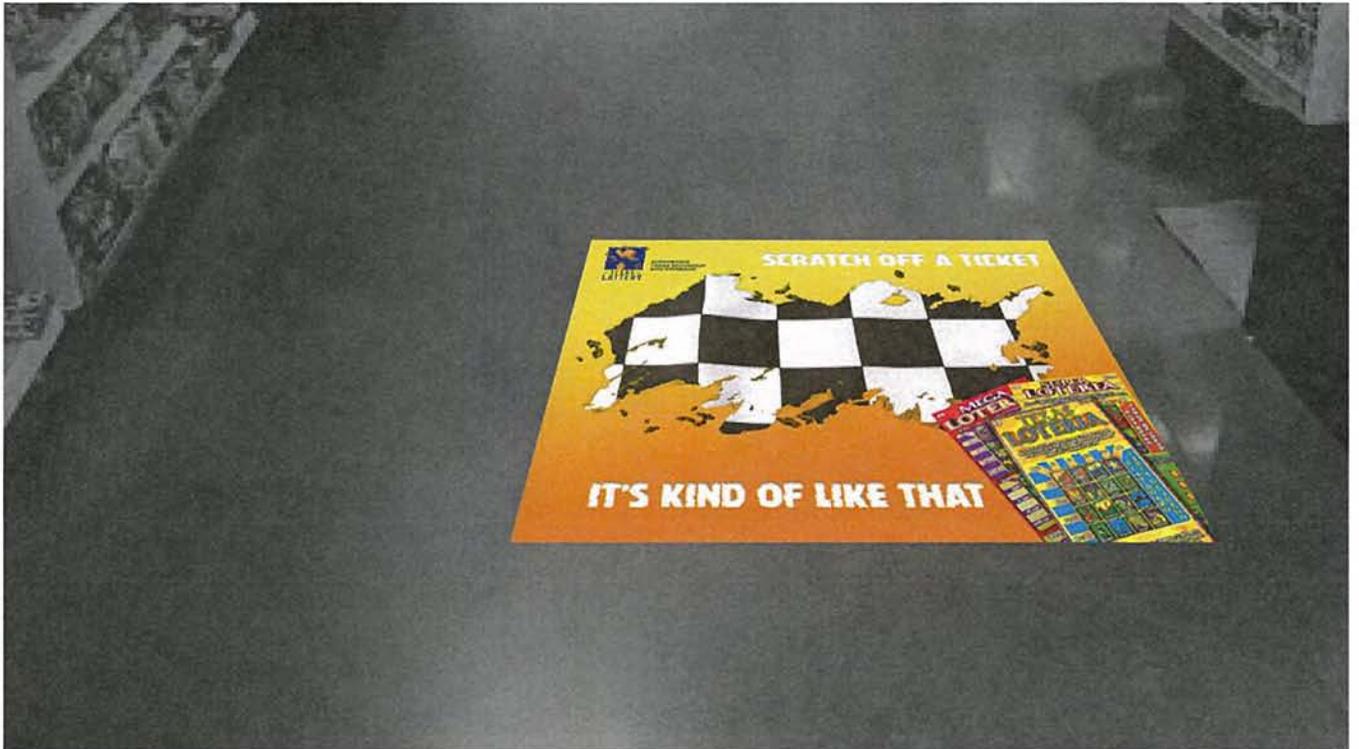
Ceiling Dangler

**SHOPPER**



Freezer Cling

**SHOPPER**



Floor Decal

# SHOPPER



Window Decal

SHOPPER



Spanish Poster  
It's Kind Of Like That

**SHOPPER**



Spanish Pump Topper  
Go into the store and play  
It's Kind Of Like That  
Supporting Texas Education and Veterans

**SHOPPER**



Spanish Pump Topper  
Go into the store and play  
It's Kind Of Like That  
Supporting Texas Education and Veterans

**SHOPPER**



Spanish Ceiling Dangler  
Scratch a ticket  
It's Kind Of Like That  
Supporting Texas Education and Veterans

SHOPPER



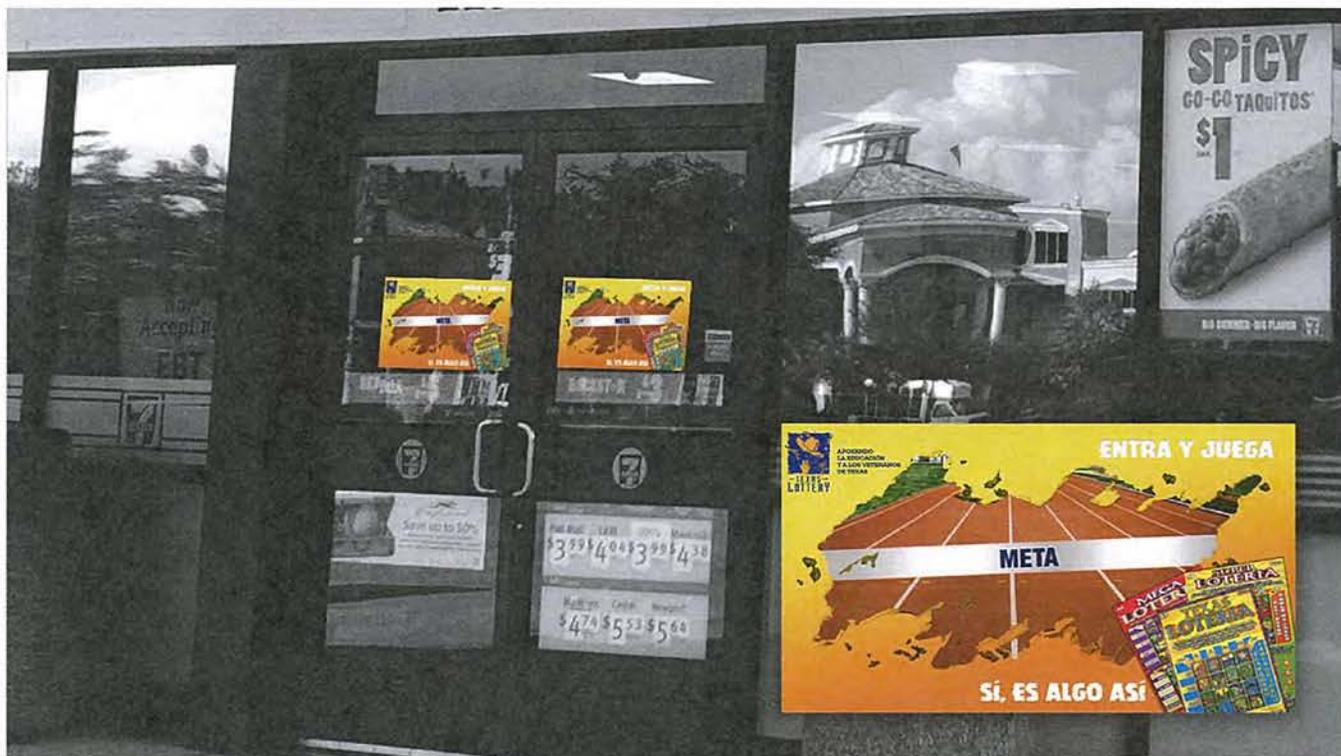
Spanish Freezer Cling  
Scratch a ticket  
It's Kind Of Like That  
Supporting Texas Education and Veterans

**SHOPPER**



Spanish Floor Decal  
Scratch a ticket  
It's Kind Of Like That  
Supporting Texas Education and Veterans

# SHOPPER



Spanish Window Decal  
Go into the store and play  
It's Kind Of Like That  
Supporting Texas Education and Veterans

**DIGITAL**

How does “It’s Kind Of Like That” translate to social media? We’ll create thrilling and exciting videos that showcase that feeling you get when you play scratch-offs. These videos will live on social media and be :15 and :06 seconds long. We’ll start a conversation that invites our audience to interact with us and encourages them to share their own thrilling videos. We may even partner with influencers in order to give away Texas Loteria Scratch-off games to the most viewed/liked videos.

### CONTENT VIDEO "FAST"

SUPER: Yeah, it's kind of like that. Scratch a Texas Loteria ticket, and you could win up to \$250,000. Every time you play, Texans win. Supporting Texas Education and Veterans.

We will create thrilling videos where characters show how it feels to play the Texas Loteria game. These videos will live on Facebook, Instagram and even YouTube, depending on their duration.

Videos will be made in English and Spanish.



### CONTENT VIDEO "SKYDIVING"

SUPER: Yeah, it's kind of like that. Scratch a Texas Loteria ticket, and you could win up to \$250,000. Every time you play, Texans win. Supporting Texas Education and Veterans.

We will create thrilling videos where characters show how it feels to play the Texas Loteria game. These videos will live on Facebook, Instagram and even YouTube, depending on their duration.

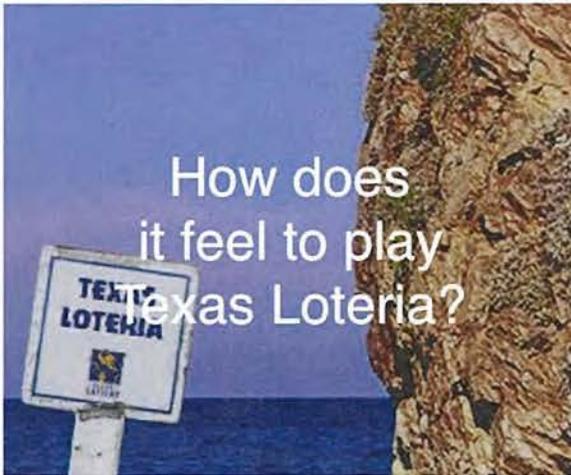
Videos will be made in English and Spanish.



## DISPLAY BANNER

This banner will show the Texas Loteria product logo as if it were the sign for an amusement park ride. We will have copy reading: "Yeah, it's kind of like that...thrilling! Play Texas Loteria scratch-off games. START HERE." When you click "START HERE," you are taken to an educational video.

Other executions would show the Texas Loteria logo as if it were the sign for a diving zone or the wooden sign on top of a mountain. These signs will invite users to thrilling experiences, which are really playing Texas Loteria.



## EDUCATIONAL VIDEO

This video will feature an influencer demonstrating how to play Texas Loteria while doing something thrilling. In this case, our influencer will be skydiving. We'll hear his voice describing exactly how to play the game. His surroundings will reinforce the message that playing Texas Loteria is kind of like that.



## MOBILE BANNER (GEOLOCATION)

The user will “scratch” this banner as if it were a Texas Loteria ticket by swiping a finger over the screen. The copy on top of the visual will say: “How does it feel to play Texas Loteria scratch-off? SCRATCH HERE.”

After scratching, it will uncover a thrilling situation recorded with a GoPro camera (in first person).

More copy will appear on the screen, saying: “Yeah, it’s kind of like that! Play Texas Loteria Scratch-off games.”



### FACEBOOK MESSENGER FILTERS

Imagine a filter that puts you inside the cockpit of a jet, lets you skydive or has you sliding down a super-high water slide.



## **EXPERIENTIAL – THRILL STATION IT'S KIND OF LIKE THAT**

Keeping in line with the “It’s Kind of Like That” concept, this experience will be built around the idea that playing Texas Loteria evokes the level of excitement that other thrilling activities do. To portray this comparison, we will develop the Texas Loteria Thrill Station. This experience will work to raise awareness of the Texas Loteria game (non-selling) and will incorporate on-site opportunities to encourage trial (selling).

### **The Participant Experience**

1. Attendees will be drawn to the Texas Loteria booth, which features an attention-grabbing branded environment, staffed by brand ambassadors who actively engage with passersby to encourage them to come try the Texas Loteria Thrill Station.
2. The booth environment consists of a branded tent, tables with branded tablecloths, a Texas Lottery Scratch card vending machine branded with the Texas Loteria game, a large flat-screen monitor to display personal reactions of participants in the Thrill Station, and the Thrill Station itself. Note: This booth will be an addition to the existing larger branded tent that is an annual fixture at the State Fair of Texas.
3. Participants will be invited by brand ambassadors into the Thrill Station, a cylindrical interactive booth with branding all around the circumference of the exterior.
4. Once the participant steps into the Thrill Station, the door is closed and they find themselves surrounded by high-definition LCD screens around the entire interior of the station as well as on the ceiling and floor. The effect will create a completely immersive experience.
5. The participant will see the suite of Texas Loteria floating in front of him/her.
6. The participant will select which card to play.
7. Speakers inside the booth will activate to welcome the participant (in English and Spanish) and instruct them to choose one of the squares to scratch off on the Texas Loteria card.
8. The participant will reach out and interact with the screen to scratch off the square they choose, which will reveal one of four possible experiences that incite the same rush of excitement as playing the Texas Loteria Scratch game – sky diving, rollercoaster, bungee jumping or fighter jet.
9. Once the square is scratched off, a siren will sound that is audible inside and outside the booth to draw more attention to the experience.
10. A countdown will occur, and then the chosen experience will activate. The LCD screens will display a 360-degree video of the chosen experience. The participant will become immersed in a scene representing either sky diving, riding a rollercoaster, bungee jumping or flying in a fighter jet. Surround sound will make the experience feel more real, and the entire booth will vibrate, shake or rumble along with the experience. Wind will also be activated within the booth. The result will be that the participant truly feels like they are experiencing the scenario they chose.
11. The booth will be equipped with handles to allow participants to stabilize themselves, and they will be instructed to simply close their eyes if they want the sensation of movement to subside. There will also be a kill switch inside the booth if a participant wants to stop the experience immediately.
12. The experience will last 30 seconds and then subside. The participant will see a branded message to play Texas Loteria Scratch-off because “It’s kind of like that.”
13. Brand ambassadors will open the door to the booth and assist the participant out.

## **EXPERIENTIAL – THRILL STATION IT'S KIND OF LIKE THAT**

### **Social Media Integration — Participant Journey**

1. The Thrill Station will be equipped with a video camera focused on the participant's face to capture real-time expressions and reactions to the experience. This video will also be on display on the exterior monitor so those waiting in line can witness it first hand.
2. Upon exiting the booth, the brand ambassador will escort the participant to the branded table.
3. Using a tablet, they will show the user the video of their experience.
4. The brand ambassador will ask for the participant's name and email address in order to send the video to them.
5. The participant will be instructed to share the video using the hashtag #TexasLoteria. If the participant shares the video socially, they will receive a free Texas Loteria Scratch card, thereby encouraging trial of the game in a non-selling format.
6. If the participant declines to share the video on their own social channels, the brand ambassadors will encourage them to purchase a Texas Loteria Scratch card from the on-site vending machine in order to encourage trial through a selling format.
7. The experience videos will also be collected for Texas Lottery to share over their own channels, creating boomerang-style videos that show real-life expressions of the rush and the excitement that come with playing Texas Loteria, allowing the experience to spread awareness of the game beyond the events and into the social sphere.

### **Veterans and Education Tie-In**

To demonstrate Texas Lottery's commitment to veterans and education in our state, veterans and educators will receive free Texas Loteria cards even if they choose not to share their video. If they do choose to share the video, they will receive two Texas Loteria tickets.

### **Concept Payoff**

This execution will result in participants who have experienced the rush and excitement of emotion-generating scenarios that are then associated with playing the Texas Loteria game. The very literal takeaway of this experience is that the Texas Loteria is "kind of like that," and we will have the authentic reactions of participants documented to prove it. Ultimately, we will build on the overall messaging strategy that equates the Texas Loteria Scratch game with the strong emotions and thrills that the rest of the campaign portrays.

**EXPERIENTIAL – THRILL STATION IT'S KIND OF LIKE THAT****Measuring Success**

This experience will be measured through methods that track awareness, participation, sharing and trial of the Texas Loteria game.

<b>Awareness</b>	<b>Participation</b>	<b>Sharing</b>	<b>Trial</b>
Event impressions	# of participants	# of shared photos	# of free tickets given (non-selling)
Earned media impressions	# of conversations	# of hashtag posts	# of tickets purchased at vending machine (selling)
		# of shares, likes, comments	

**EXPERIENTIAL – THRILL STATION IT'S KIND OF LIKE THAT**



**IT'S KIND OF LIKE THAT. WHY IT WORKS.**

This campaign brings the fun and thrilling emotions of lottery Scratch-off games to life. We show Texans who have never played the lottery how fun it is, while reminding lapsed players what they have been missing out on.

**CAMPAIGN 3**  
**YOU PLAY FOR**  
**THE FIRST TIME,**  
**EVERY TIME**

## **STRATEGIC STATEMENT**

Qualitative research specifically conducted for this assignment showed that playing Texas Lottery Scratch-off games generates a great deal of excitement. This led us to wonder if there was a correlation between the amount of excitement winning or losing brings and the frequency the games are played, or if the game was always seen as exciting, regardless of the outcome or frequency of play.

The additional quantitative research we performed on our audience demonstrated that nearly two thirds of them didn't think that games became less exciting the more they played, and almost half of those thought that every time they played, they felt the same thrill as the first time.

It became clear to us that every time you play a Texas Lottery Scratch-off game, it's as fun and thrilling as the first time.

**SETUP**

It doesn't matter how many times you've played Texas Loteria; every time you play, it's like playing for the first time. You get that same rush with every scratch. Because every game is a new opportunity – for all players. So go on, get a coin, the back of your key or your lucky charm to scratch the first time, every time.

This concept is broad enough to work for any Scratch-off game or exclusively for Texas Loteria. Either way, it'll speak to both new players and experienced players.

And remember, every time you play, Texans win because Texas Lottery donates \$1.3 billion for education and veterans in Texas.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled 8.1.4 *Creative Assignment*, sub folder *You Play For The First Time, Every Time* to view a concept video of this campaign.

Confidentiality Claimed

§552.104/552.110

**OOH**

For printed materials, the communication of “You play for the first time, every time” comes to life through a series of amazing sensations that you experience every time you play. These visuals will be simple yet disruptive.

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Outdoor Billboards

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



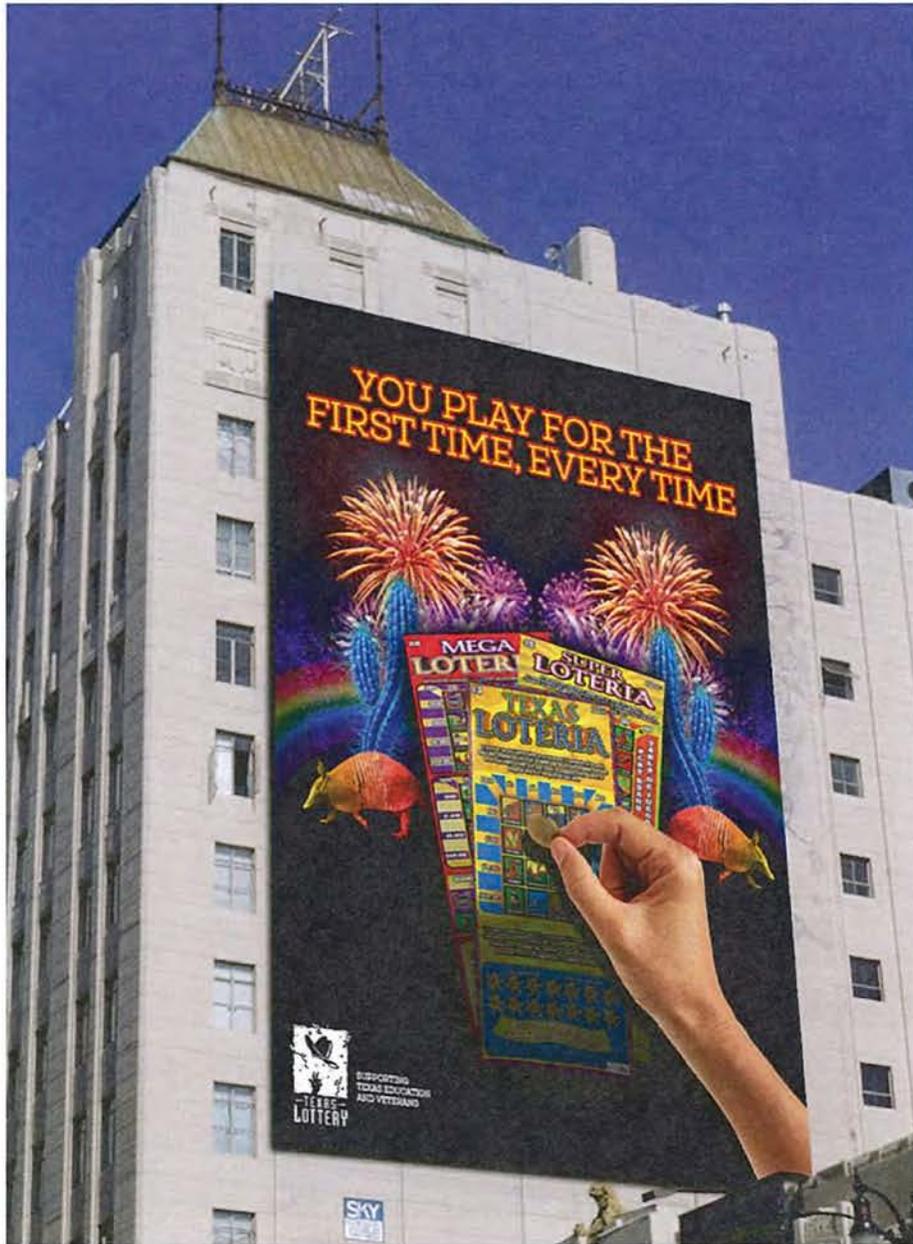
Outdoor Billboards

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Outdoor Billboards

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Outdoor Billboards

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Spanish – Outdoor Billboards  
You play for the first time, every time  
Supporting Texas Education and Veterans

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Spanish – Outdoor Billboards  
Going to a concert for the first time, every time  
Supporting Texas Education and Veterans

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Spanish – Outdoor Billboards  
Like going to your first state fair, every time  
Supporting Texas Education and Veterans

We will show the feeling you get when you play for the first time, every time. The images will be made from Texas Loteria characters and accompany an explosion of colors to celebrate the moment.



Spanish – Outdoor Billboards  
You play for the first time, every time  
Supporting Texas Education and Veterans

## TV/VIDEOS

For these executions, we'd like to recommend the song "One More Time" by Daft Punk. This song doesn't make or break the idea; however, it can be a memorable component. It's catchy and can help us engage with more Millennials. In this case, the structure is simple yet disruptive. As soon as we see someone touch a coin or key to the scratch-off element of the ticket, we see a visual representation of what it feels like to play for the first time, every time. This campaign allows us to produce work that's both efficient and memorable.



## TV/VIDEOS: 30-SECOND "C-STORE RAINBOWS"



1- We open with Juan at work with a couple of coworkers. He's about to scratch a Texas Loteria Scratch-off game. As he gets ready to scratch, Daft Punk's "One More Time" plays.



2- Coming out of the ticket, we see bunches and bunches of armadillos singing and dancing on rainbows, surrounded by fluffy clouds with bright horseshoes raining down.



3- Juan isn't paying attention to the show that's going on around him, but his coworkers are and look astonished.



4- We cut to a guy in his 20s arriving home. He pulls two Texas Loteria tickets out of his back pocket, one for him and another for his girlfriend. As they get ready to scratch, Daft Punk's "One More Time" plays.



5- We see all the armadillos, rainbows and clouds rush into his home, getting ready to do another show. She places the coin on the ticket, and the show starts.



6- We cut to a city bus where a woman in her late 20s is getting a Texas Loteria ticket from her wallet, then a coin. As she gets ready to scratch, Daft Punk's "One More Time" plays.

## TV/VIDEOS: 30-SECOND "C-STORE RAINBOWS"



7- We see our characters at a bus stop.

ANNCR: With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery,



8- The bus arrives, and they rush in, just in time for the show.

ANNCR: you could win up to \$250,000



9- We cut back to Juan at the convenience store. He goes to the cashier and excitedly asks for a new ticket. We zoom in to the armadillos looking at each other like they're ready to sing again.

ANNCR: and feel like you're playing for the first time,



10- Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

ANNCR: every time.

## **TV/VIDEOS: 30-SECOND “C-STORE RAINBOWS” – SPANISH**

We open with Juan at work with a couple of coworkers. He’s about to scratch a Texas Loteria Scratch-off game. As he gets ready to scratch, Daft Punk’s “One More Time” plays. Coming out of the ticket, we see bunches and bunches of armadillos singing and dancing on rainbows, surrounded by fluffy clouds with bright horseshoes raining down. Juan isn’t paying attention to the show that’s going on around him, but his coworkers are and look astonished.

We cut to a guy in his 20s arriving home. He pulls two Texas Loteria tickets out of his back pocket, one for him and another for his girlfriend. We see all the armadillos, rainbows and clouds rush into his home, getting ready to do another show. She places the coin on the ticket, and the show starts.

We cut to a city bus where a woman in her late 20s is getting a Texas Loteria ticket from her wallet, then a coin. We see our characters at a bus stop. The bus arrives and they rush in, just in time for the show.

We cut back to Juan at the convenience store. He goes to the cashier and excitedly asks for a new ticket. We zoom in to the armadillos looking at each other like they’re ready to sing again.

ANNCR: Con los raspaditos de 3, 5, ó 10 dólares de Texas Loteria de la Lotería de Texas, podrías ganar hasta \$250,000 y sentir que juegas por primera vez, cada vez.  
With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000 and feel like you’re playing for the first time, every time.

SUPER: Apoyando la Educación y a los Veteranos de Texas.  
Supporting Texas Education and Veterans.

Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

## TV/VIDEOS: 30-SECOND "COFFEE SHOP ARMADILLOS"



1- We open with Stella. She's walking into her kitchen where she finds a gift from her hubby — a Texas Loteria ticket.



2- As she's about to scratch the boxes, we see a bright rainbow coming out of her ticket.



3- Sliding down the rainbow are a thousand armadillos, rattlesnakes and cacti singing Daft Punk's "One More Time."



4- A bunch of fluffy clouds appear and colorful horseshoe emojis rain down, singing in chorus with the Texas Loteria characters. Her husband looks at the characters in amazement yet pleased that he created this moment for his wife.



5- We cut to a group of friends at a coffee shop. One of them brought Texas Loteria tickets for everyone.



6- They scratch at the same time, and we see a bright rainbow coming out of their tickets.

**TV/VIDEOS: 30-SECOND "COFFEE SHOP ARMADILLOS"**



7- Sliding down the rainbow are a thousand armadillos, rattlesnakes and cacti singing "One More Time." A bunch of fluffy clouds appear and colorful horseshoe emojis rain down, singing in chorus with the Texas Loteria characters. The people around them happily dodge the characters.



8- We cut to a different day and scene. Now, there's a guy at a C-store getting milk and a Texas Loteria ticket. He can't wait to scratch it.



9- When he does, we see a bright rainbow coming out of his ticket. Sliding down the rainbow are a thousand armadillos, rattlesnakes and cacti singing "One More Time." A bunch of fluffy clouds appear and colorful horseshoe emojis rain down, singing in chorus with the Loteria characters.



10- ANNCR: With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000



11- As they start, the clerk makes a "Here we go again!" expression and lip-syncs to the song.

ANNCR: and feel like you're playing for the first time,



12- Cut to logo and all the Texas Loteria tickets, showcasing the different price points.

ANNCR: every time.

**RADIO**

"You play for the first time, every time" has a ton of possibilities for radio. We will embrace the song by Daft Punk, "One More Time," in radio executions. Every time someone names the Texas Loteria, the song will go on.

**RADIO: 30-SECOND "ANNOUNCER VS. SONG"**

(IN THIS COMMERCIAL, WE HEAR AN ANNOUNCER TRYING TO TALK ABOUT THE FEELING YOU GET WHEN YOU PLAY TEXAS LOTERIA FOR THE FIRST TIME. EVERY TIME HE SAYS "TEXAS LOTERIA," HE IS INTERRUPTED BY THE SONG "ONE MORE TIME" BY DAFT PUNK. HE TRIES SAYING "TEXAS LOTERIA" IN A VARIETY OF WAYS TO AVOID THE SONG PLAYING BUT IS UNSUCCESSFUL.)

ANNCR 1: When you play for the first time, Texas Loteria Scratch-off games...

SFX: "ONE MORE TIME" SONG.

ANNCR 1: Uh, this happens every time. The Texas Loteria...

SFX: "ONE MORE TIME" SONG.

ANNCR 1: (GROAN) (Reading slowly) Okay, the Teexxaass. Loooteerriiaa...

SFX: "ONE MORE TIME" SONG.

ANNCR 1: (GROAN) (Reading really fast) The Texas Loteria Scratch-off...

SFX: "ONE MORE TIME" SONG.

ANNCR 1: I give up, just play the game.

SFX: "ONE MORE TIME" SONG UNDERNEATH.

ANNCR 2: With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000 and feel like you're playing for the first time, every time. Texas Loteria from the Texas Lottery.

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled 8.1.4 *Creative Assignment* for a recorded version of the radio spot.

**Confidentiality Claimed**  
§552.104/552.110

**RADIO: 30-SECOND "ANNOUNCER VS. SONG" – SPANISH**

ANNCR: Cuando le rascas al raspadito de Texas Loteria

(ONE MORE TIME STARTS ON TOP OF THE VO)

ANNCR: es como si jugaras por primera vez, cada vez.  
Porque con el raspadito de Texas Loteria...

(ONE MORE TIME STARTS ON TOP OF THE VO)

ANNCR: siempre tienes nuevas oportunidades. Por ejemplo, si compras  
( RUSHES TO AVOID THE MUSIC) un raspadito de Texas Loteria

(ONE MORE TIME MUSIC GOES ON)

ANNCR: de 3, 5 ó 10 dólares puedes ganar hasta \$250,000. Además, el raspadito de... Teexas  
(WAITING TO SEE IF THE MUSIC WILL JUMP IN) ... Loteria

(ONE MORE TIME GOES ON – HE CONTINUES TO REPEAT IT, TRYING TO BEAT THE SONG)

ANNCR: Texas Loteria.

(ONE MORE TIME GOES ON)

ANNCR: ¿En serio? Teeeexanos.

(ONE MORE TIME IS ABOUT TO START BUT GOES OFF SINCE HE DOESN'T SAY THE NAME OF THE TICKET)

ANNCR: JAJA te gané.

(TRIES TO SAY IT QUICKLY TO AVOID THE MUSIC STARTING OVER, BUT IT'S NOT HAPPENING)

ANNCR: Con los raspaditos de 3, 5, ó 10 dólares de Texas Loteria de la Lotería de Texas, podrías ganar hasta \$250,000 y sentir que juegas por primera vez, cada vez. Texas Loteria de la Lotería de Texas.

LEGAL: Apoyando la Educación y a los Veteranos de Texas.

**RADIO: 30-SECOND "FRIENDS VS. SONG"**

(IN THIS COMMERCIAL, WE HEAR A MAN TRYING TO TALK WITH HIS FRIEND ABOUT THE FEELING YOU GET WHEN YOU PLAY TEXAS LOTERIA FOR THE FIRST TIME. HE IS INTERRUPTED BY THE SONG "ONE MORE TIME" BY DAFT PUNK EVERY TIME HE SAYS "TEXAS LOTERIA.")

MAN: Hey, Sofia, when you play the new Scratch-off game Texas Loteria...

SFX: "ONE MORE TIME" SONG.

SOFIA: What was that?

MAN: Uh, this happens every time. The Texas Loteria...

SFX: "ONE MORE TIME" SONG.

SOFIA: It happened again.

MAN: I know, I know. Just watch me scratch it off.

SOFIA: The Texas Loteria?

SFX: "ONE MORE TIME" SONG UNDERNEATH.

ANNCR: With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000 and feel like you're playing for the first time, every time. Texas Loteria from the Texas Lottery.

LEGAL: Supporting Texas Education and Veterans.

As allowed in Section 2.5.6, please refer to the enclosed Richards/Lerma thumb drive, folder titled 8.1.4 *Creative Assignment* for a recorded version of the radio spot.

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**RADIO: 30-SECOND "FRIENDS REWIND"**

(THE BEAUTY OF THIS CONCEPT IS THAT USING THE SONG "ONE MORE TIME" IS NOT A NECESSITY. HERE'S AN EXAMPLE OF A DIRECTION WE CAN TAKE THAT DOESN'T USE THE SONG. IN THIS COMMERCIAL, WE HEAR A MAN TALKING WITH HIS FRIEND ABOUT THE FEELING YOU GET WHEN YOU PLAY TEXAS LOTERIA FOR THE FIRST TIME. RIGHT AS HE'S FINISHING HIS SENTENCE, WE HEAR A REWIND SOUND AND WE'RE BROUGHT BACK TO THE BEGINNING OF HIS STATEMENT. THIS REPEATS AS IF WE'RE HEARING IT FOR THE FIRST TIME, EVERYTIME. EVERYTIME HE REPEATS HIMSELF, HE GETS MORE AND MORE EXCITED.

MAN: [NORMAL TONE] Every time I play a Texas Loteria Scratch-off game, it feels like I'm playing for the first time.

SOFIA: Really?

SFX: REWIND SOUND

MAN: [UPBEAT TONE] Yeah, every time I play, it feels like I'm playing for the first time!

SOFIA: No way?

SFX: REWIND SOUND

MAN: [SUPER EXCITED TONE] Seriously, I play for the first time, every time!!!

SFX: REWIND SOUND

SOFIA: I think I get it. Let me try!

ANNCR: With the \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000 and feel like you're playing for the first time, every time. Texas Loteria from the Texas Lottery.

LEGAL: Supporting Texas Education and Veterans.

**RADIO: 30-SECOND "NEW WORLD"**

(THE BEAUTY OF THIS CONCEPT IS THAT USING THE SONG "ONE MORE TIME" IS NOT A NECESSITY. HERE'S AN EXAMPLE OF A DIRECTION WE CAN TAKE THAT DOESN'T USE THE SONG. IN THIS COMMERCIAL, WE HEAR A MAN TALKING OUT LOUD IN FIRST PERSON, SHARING TYPICAL EXPERIENCES AND MAKING IT SOUND LIKE IT'S HIS FIRST TIME, EVEN THOUGH THIS HAPPENS EVERY TIME.)

MAN: I started playing Texas Loteria Scratch-off and every time I play, it feels like the first time. I'm even seeing the world for the first time.

SFX: WE HEAR A MAN SNIFFING A CAR INTERIOR AND TAKING A DEEP BREATH

MAN: Hmm, my 2011 car smells brand new.

SFX: WE HEAR THE MAN SNIFFING THE CAR INTERIOR AGAIN AND TAKING A DEEP BREATH

MAN: I even smell last month's French fries.

SFX: WE HEAR A FLIP PHONE CELL PHONE RING AND THE PHONE OPENING AND CLOSING

MAN: Hey, look at my phone. Awesome, I can flip it open and closed.

SFX: WE HEAR A TOP 40 TYPE SONG PLAYING FROM A CD PLAYER

MAN: Wow, amazing how great the music sounds from this little disc.

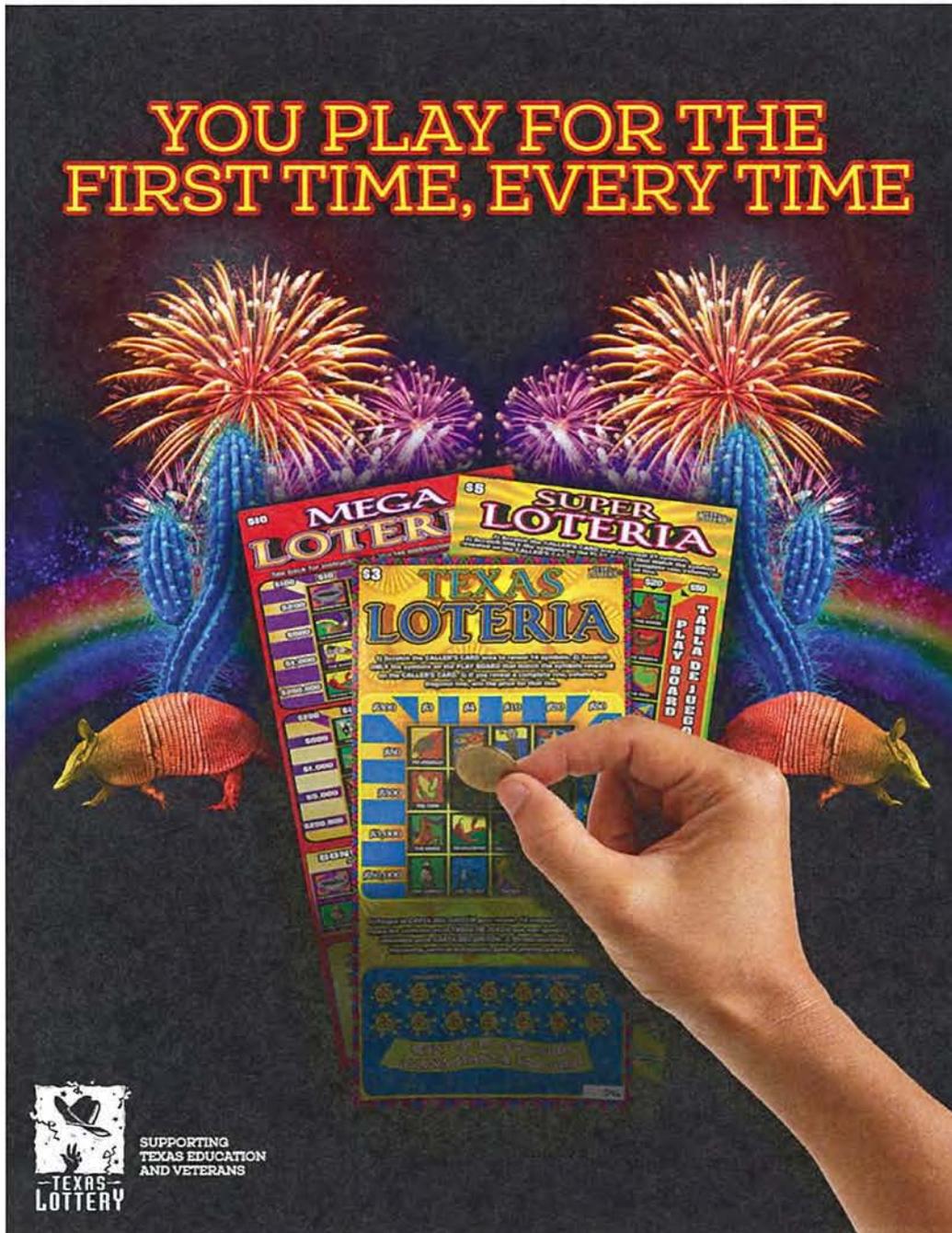
ANNCR: Play it for the first time – every time. With \$3, \$5 and \$10 Texas Loteria Scratch-offs from the Texas Lottery, you could win up to \$250,000. Texas Loteria from the Texas Lottery.

LEGAL: Supporting Texas Education and Veterans.

**SHOPPER**

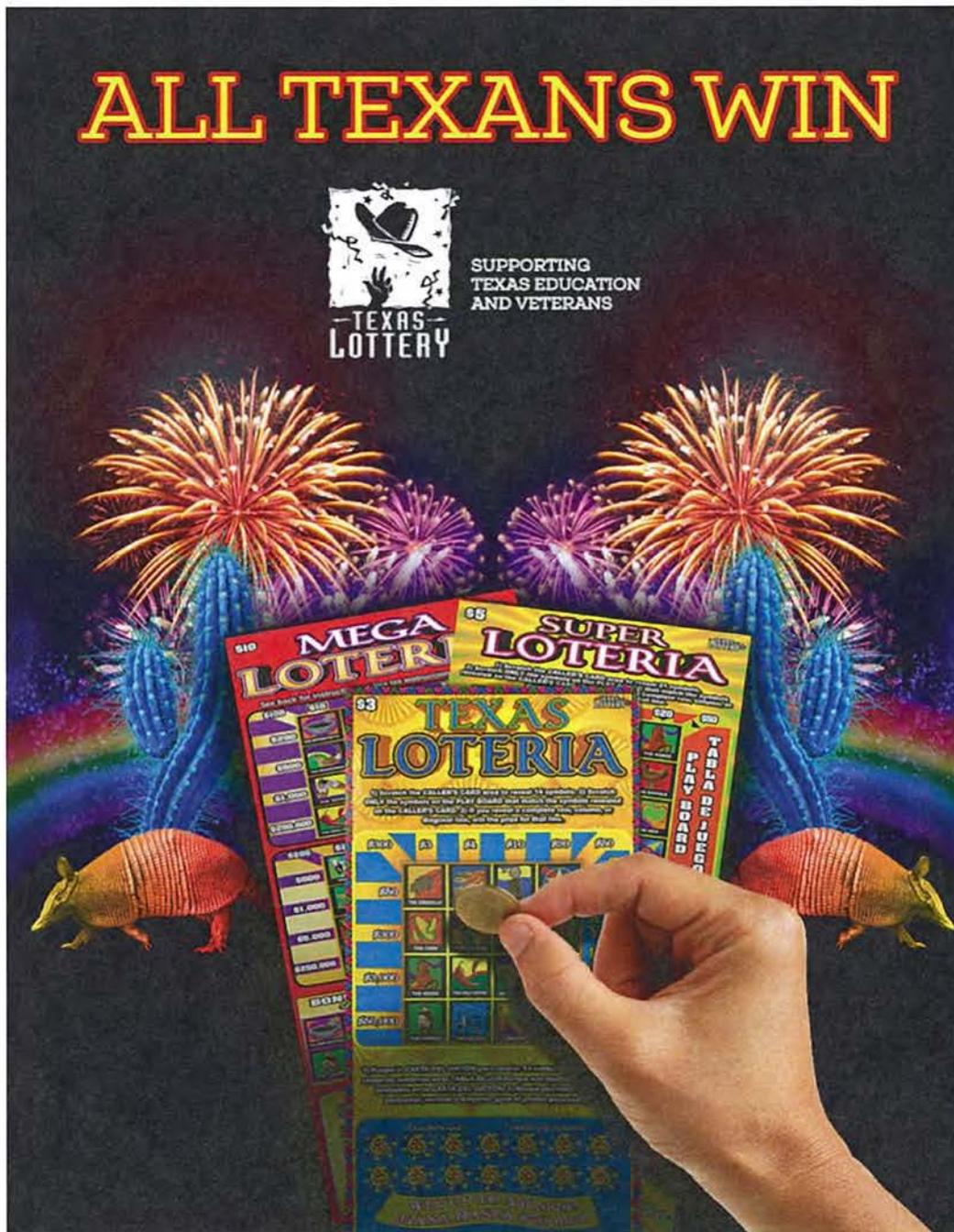
We'll embrace the look and feel of our campaign at C-stores and point of sale. And we will create customized headlines that tie back to the context where the media lives.

SHOPPER



Poster

SHOPPER



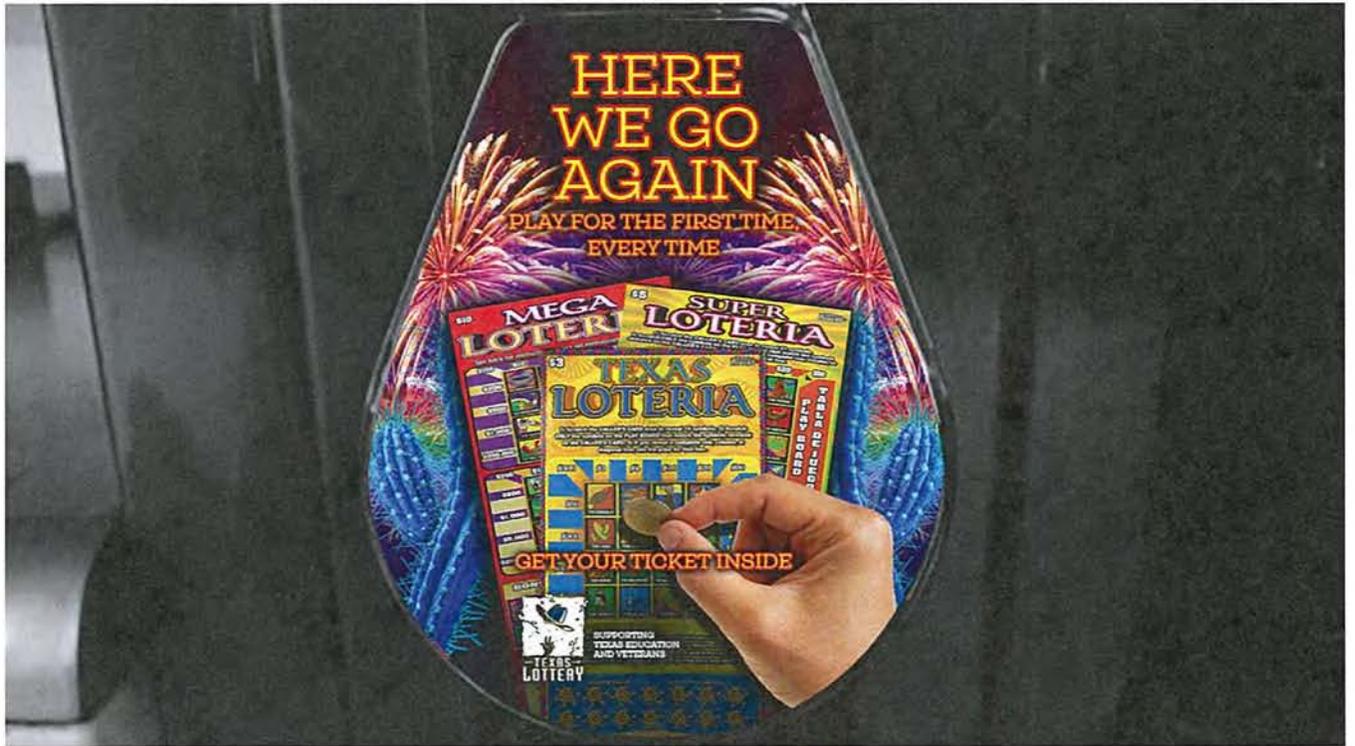
Poster

**SHOPPER**



Pump Topper

**SHOPPER**



Gas Handle

**SHOPPER**



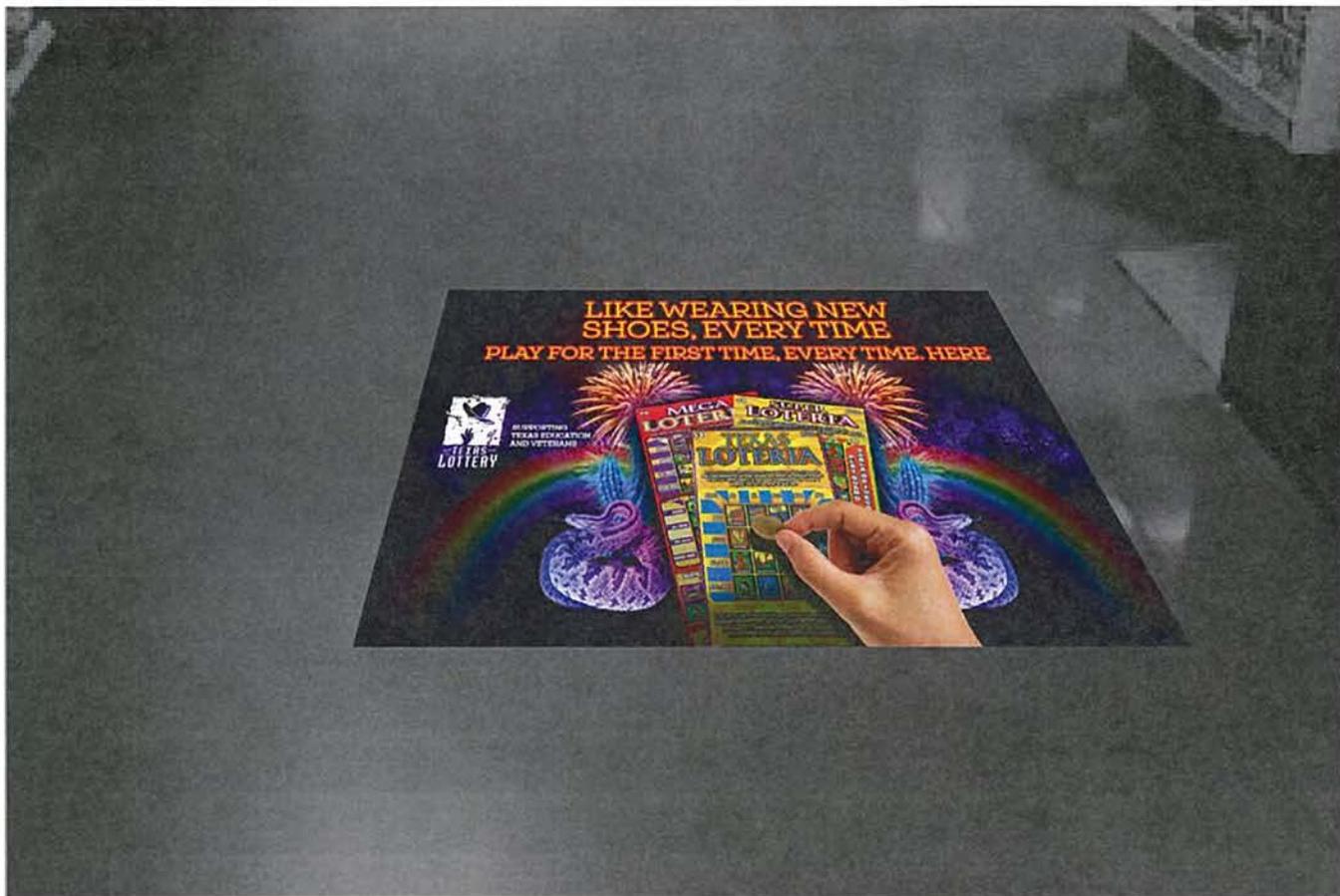
Ceiling Dangler

**SHOPPER**



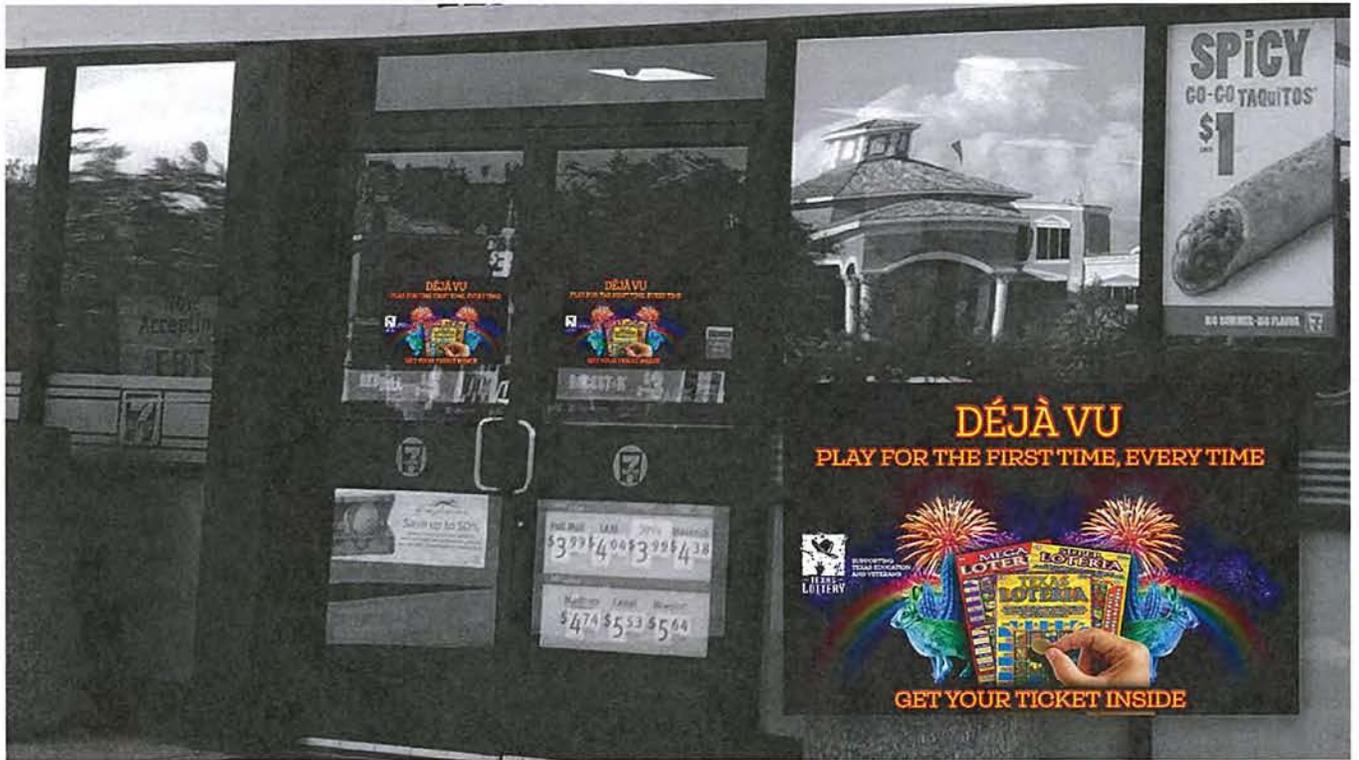
Freezer Cling

**SHOPPER**



Floor Decal

SHOPPER



Window Cling

SHOPPER



Poster  
You play for the first time, every time  
Supporting Texas Education and Veterans

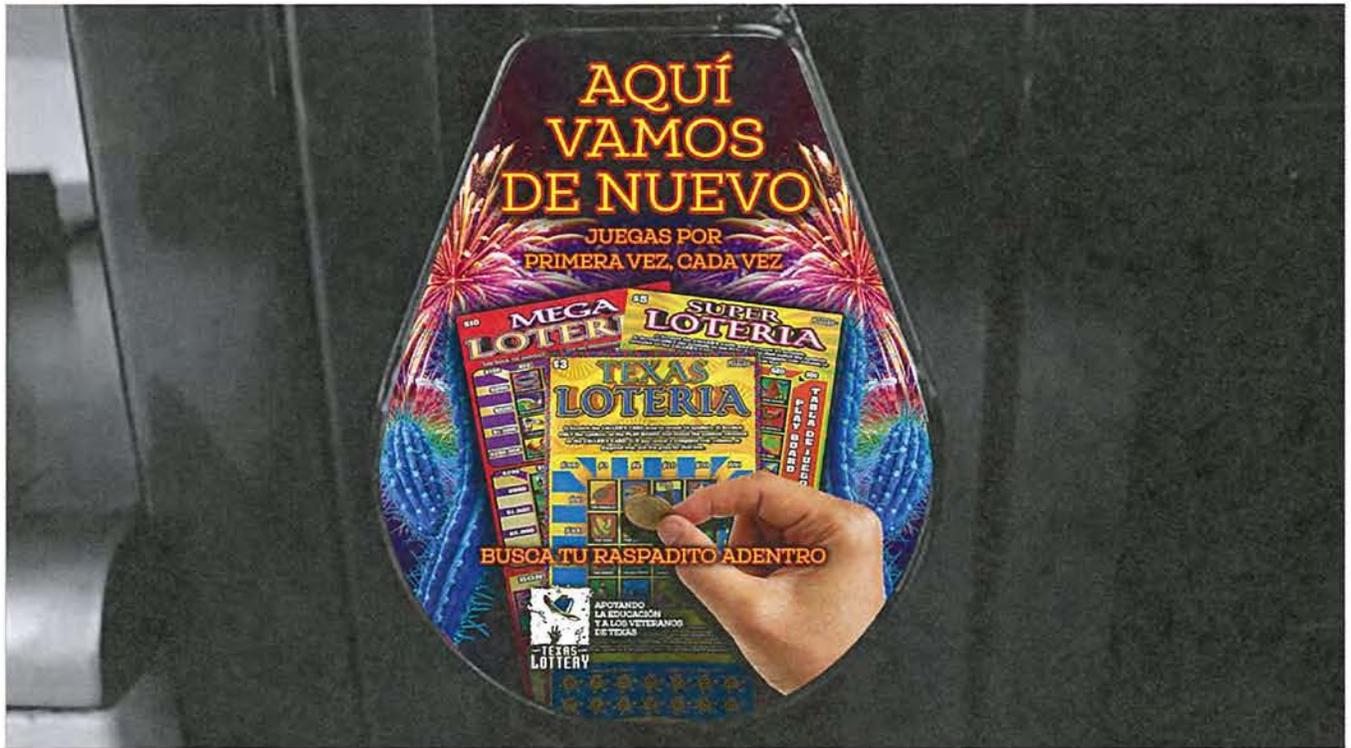
## SHOPPER

The word "ÉCHALE" has a double meaning that addresses "filling the tank" and "to push yourself and give it your all."



Spanish Pump Topper  
Give it your all, like your first time  
You play for the first time, every time  
Get your Scratch-off tickets inside.  
Supporting Texas Education and Veterans

**SHOPPER**



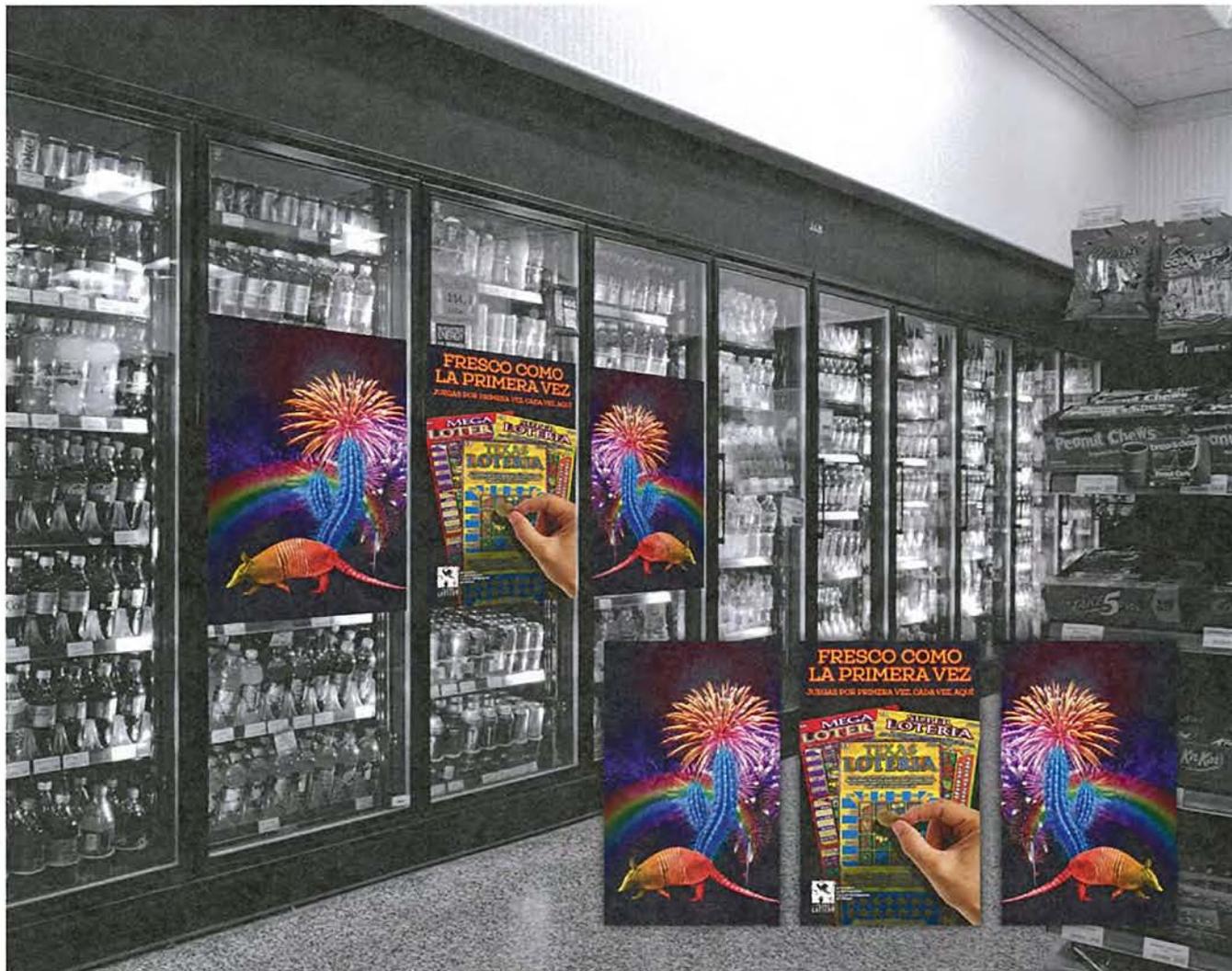
Spanish Gas Handle  
Here we go again  
You play for the first time, every time  
Get your Scratch-off tickets inside  
Supporting Texas Education and Veterans

**SHOPPER**



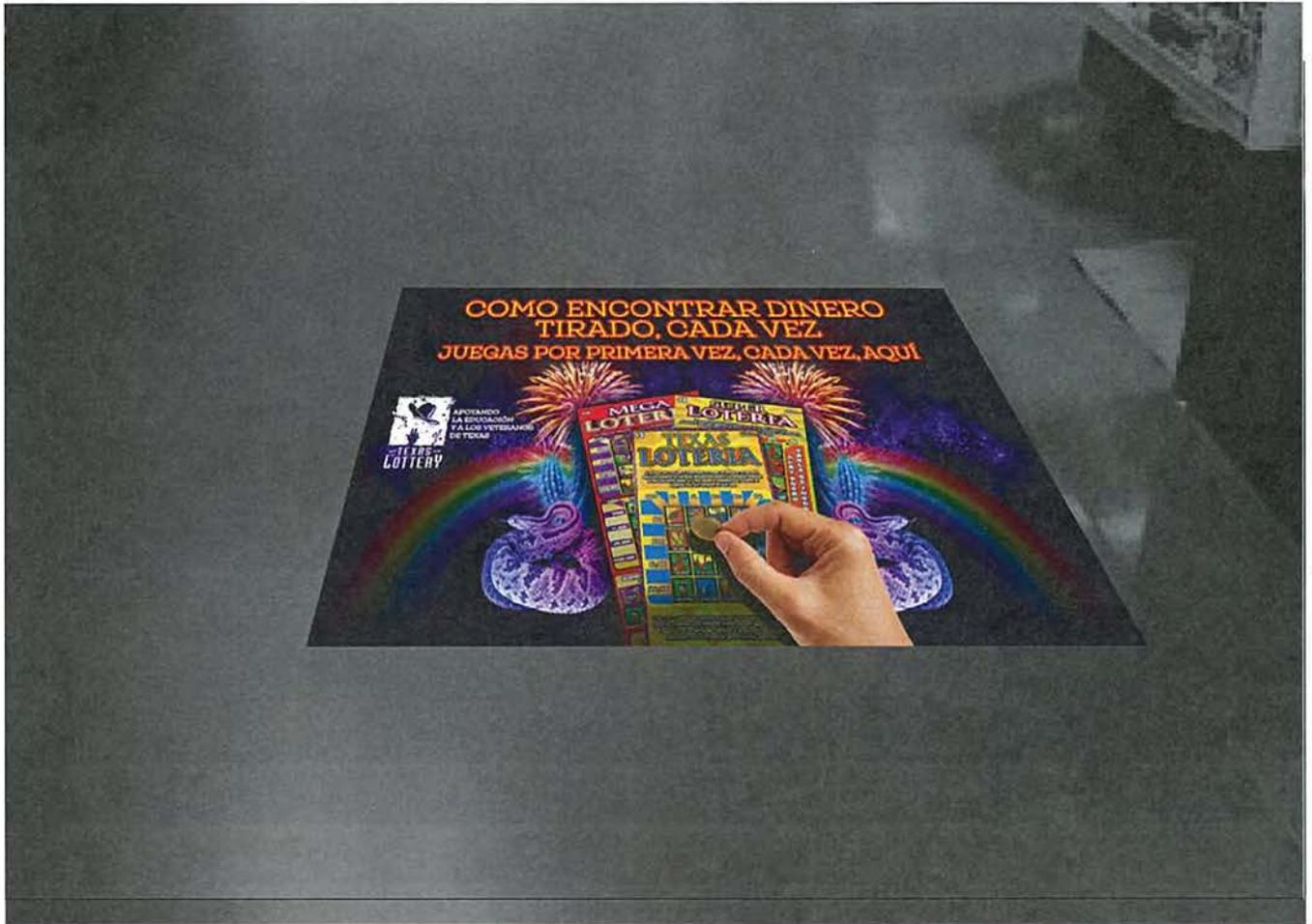
Spanish Ceiling Dangler  
Like finding your favorite flavor, every time  
You play for the first time, every time, here  
Supporting Texas Education and Veterans

SHOPPER



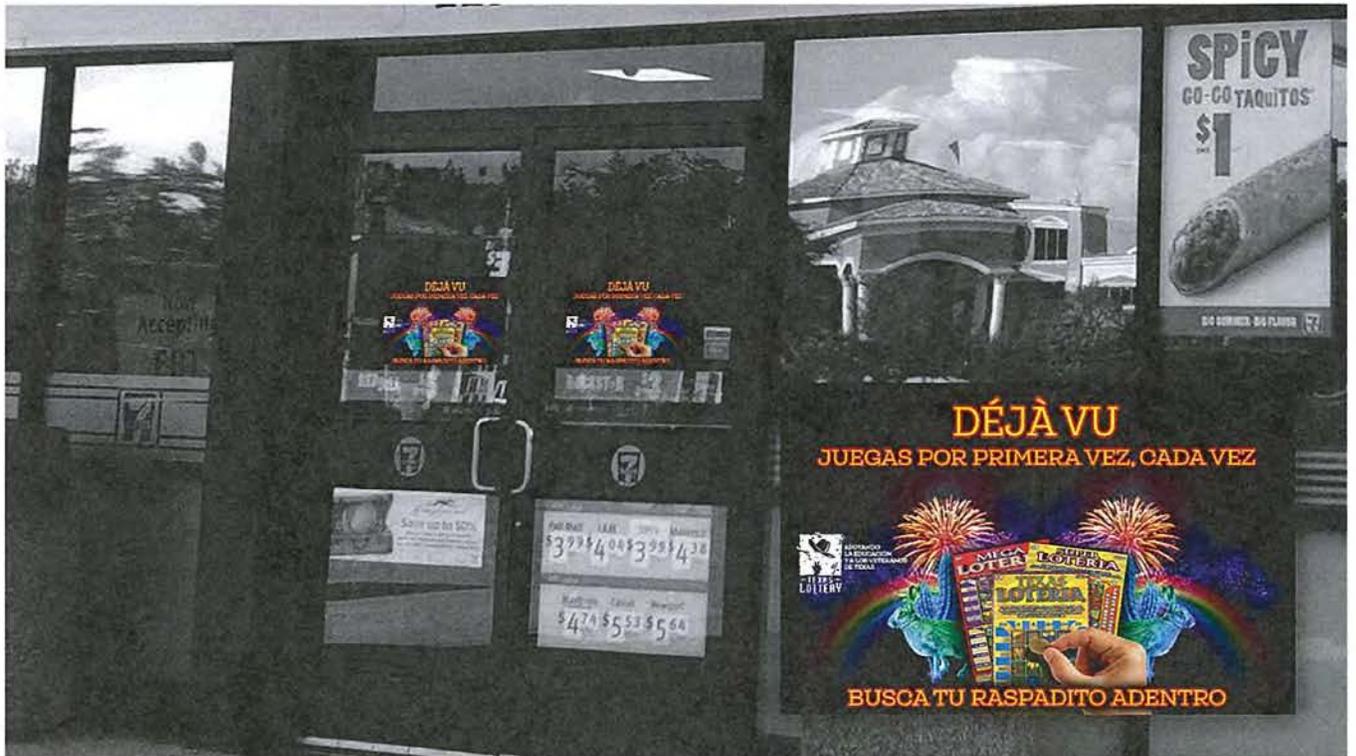
Spanish Freezer Cling  
Fresh like the first time, every time  
You play for the first time, every time, here  
Supporting Texas Education and Veterans

**SHOPPER**



Spanish Floor Decal  
Like finding money, every time  
You play for the first time, every time, here  
Supporting Texas Education and Veterans

**SHOPPER**



Spanish Window Cling  
Déjà Vu. You play for the first time, every time  
Get your Scratch-off tickets inside  
Supporting Texas Education and Veterans

## **DIGITAL**

How does “You play for the first time, every time” translate to social media?

We’ll invite our audience to send in videos of themselves scratching their tickets “for the first time, every time.” Here we’ll have another opportunity to use the song “One More Time.”

We’ll also have Facebook Live transmissions showing influencers playing for the first time. This will educate people on how to play and expand the idea that every time is like playing for the first time.

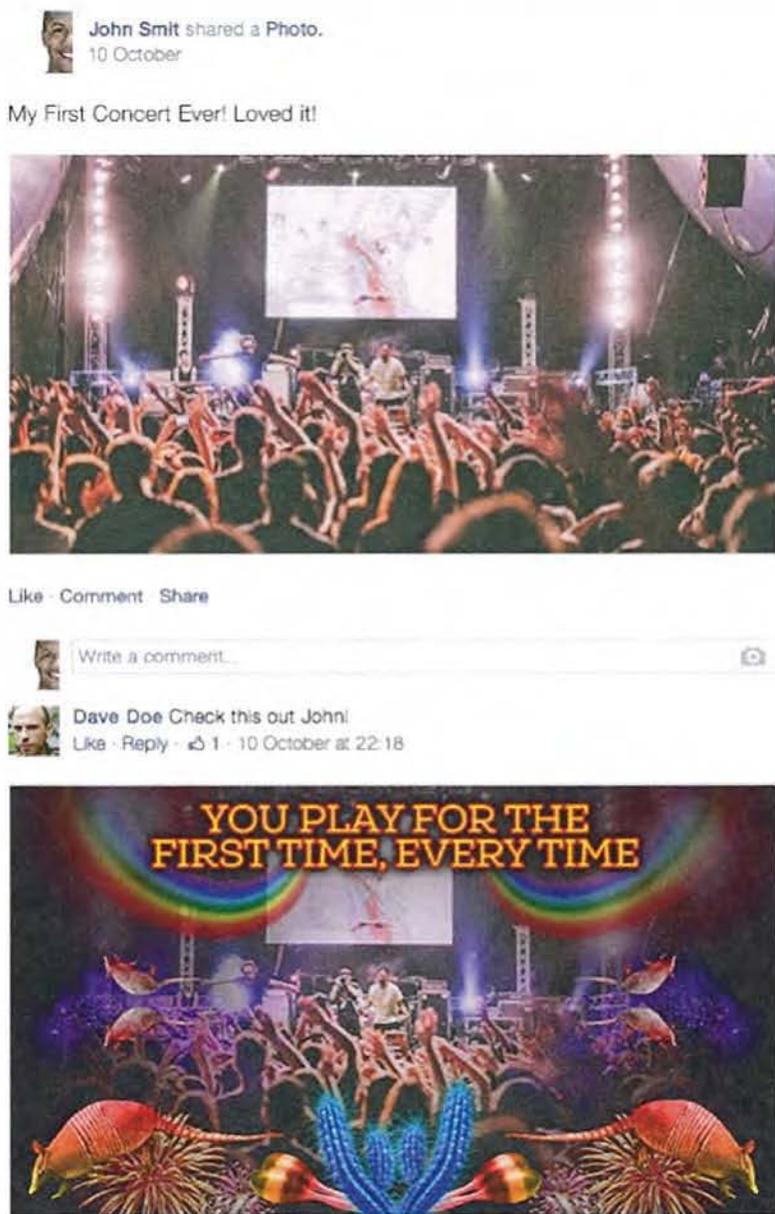
We may even partner with influencers/radio stations in order to give away Texas Loteria Scratch-off games to the most viewed/liked/commented videos.

### CONTENT – SEND YOUR FRIENDS A TEXAS LOTTERY CELEBRATION

We'll create a celebratory GIF that reminds people that with the Texas Loteria, you play for the first time, every time.

People will be able to share this GIF on social media when their friends are posting about doing something for the first time. For example, if someone posts about going to their very first concert, their friends will be able to respond by sending them our GIF.

Additionally, we'll invite our media partners to raffle off an amazing first-time experience for everyone who uses our GIF.



### CONTENT – VIDEO CLIPS

Similar to JibJab and Elf Yourself, we'll create a video experience for users to place themselves and four other friends into. Our video will remind people of our message that "You play for the first time, every time" and incorporate aspects from our campaign, like our kaleidoscope visuals and Daft Punk's "One More Time."

After users create their personalized video, they'll be able to share it with their friends on social media.



## DISPLAY BANNER

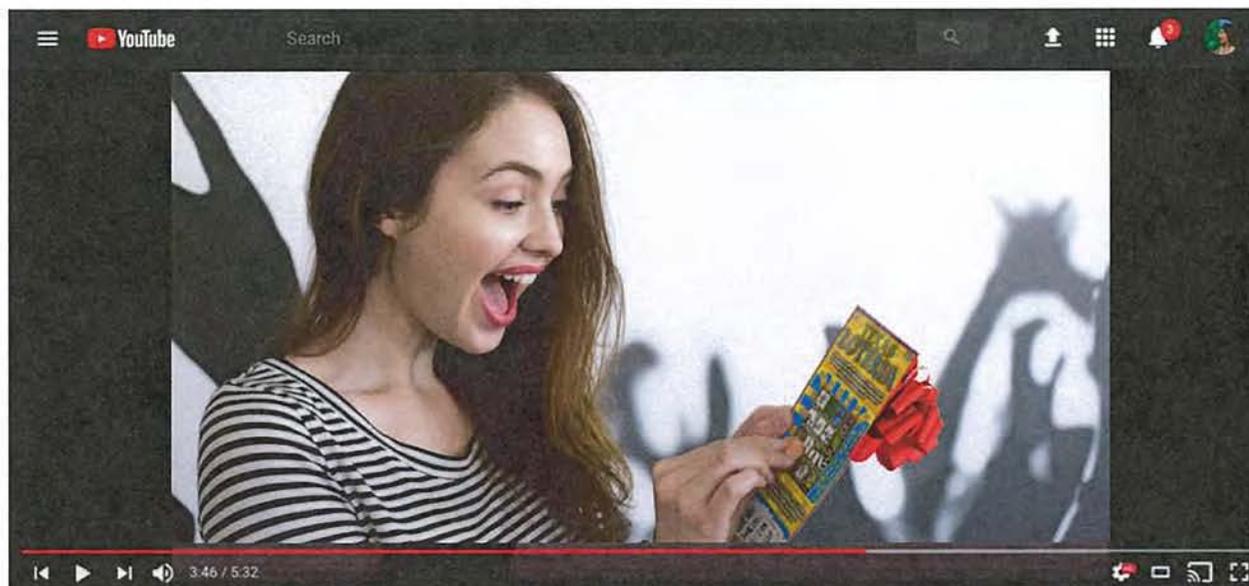
We'll see a Texas Loteria ticket and a coin approaching each other from opposite sides of the banner. When they meet each other in the center of the banner, the kaleidoscopic effect appears as a symbol of celebration of how you feel when playing for the first time, every time.



## EDUCATIONAL VIDEO

This video will mimic one of the most famous online first-time experiences: the unboxing of a new product. In this video, an influencer will “unbox” a Texas Loteria ticket and explain how to play.

Copy will say: “YOU PLAY FOR THE FIRST TIME, EVERY TIME. Texas Loteria Scratch-off games.”



47,868,979 views

👍 267K 🗨️ 23K ➦ SHARE ⋮

### MOBILE BANNER (GEOLOCATION)

We will allow consumers to create their own kaleidoscopic effect to showcase how it feels when they play Texas Loteria for the first time, every time. Users will select different symbols from the side of the banner. The symbols will be characters that are actually on the ticket, such as cacti, horses, fire and maracas.

This will create a very personal experience. Copy will say: "Yes, you play Texas Loteria for the first time, every time. Click here."



## FACEBOOK MESSENGER FILTERS

Imagine creating a filter that lets you put your face into the kaleidoscopic effect as one of the Texas Loteria characters. Users can share this amazing effect with friends on social media. It's a first time every time you see it.



## **EXPERIENTIAL – REAL LIFE SCRATCH-OFF YOU PLAY FOR THE FIRST TIME, EVERY TIME**

To demonstrate that Texas Loteria delivers a new experience every time you play – it feels like the first time, every time – we will execute a dual-channel experiential strategy that uses a heavily promoted stunt to be revealed at a large sporting event, alongside a simple traveling digital experience at events across our key markets.

### **Real Life Scratch Promotion and Reveal – The Experience**

Even people who have played Scratch-off games before have never had the opportunity to play in front of a crowd of thousands of people with a chance to win a car. It truly will be like the first time for everyone involved.

1. The build-up for this event begins through partnerships with local radio stations in our target markets.
2. Radio station DJs will encourage their listeners to share their first experience playing a Texas Loteria Scratch-off game using the hashtag #TexasLoteria, in order to be entered for a chance to become a finalist for the grand prize. Those who have not ever played are asked to post about how they are real “first-timers.”
3. At the end of the promotion period, Texas Lottery will randomly draw 5 finalists, who will be invited to a key event in four of our markets – San Antonio Spurs game, Red River Shootout at the Cotton Bowl adjacent to the State Fair of Texas, a University of Houston football game or a UT Football game in Austin – where the winner will be chosen.
4. On the day of the reveal, we will also hand out Texas Loteria Scratch Entry Tickets (made specially for the event).
5. Attendees of the game will scratch their entry card. Five of the cards will indicate “Chosen” finalists, who will be brought down to the court/field to join the five radio finalists.
6. Between the first and second quarter of the basketball or football game, the finalists will be introduced on the court. The announcer will ask them if it is their first time to play Texas Loteria, so we can share stories and excitement.
7. At half time, the finalists will each be brought on the court to stand on a square with a huge Texas Loteria card that is placed at center court/field.
8. The announcer will call out the winning square (just like in the game Loteria).
9. The winner will be given a large scraper to scratch off the card and reveal the prize they won – a brand-new car.

### **Amplifying the Experience**

In addition to the thousands of attendees who will witness the event live, video will be captured of the moment to share socially. Additionally, press will be engaged to help tell the story through earned media channels.

**EXPERIENTIAL – REAL LIFE SCRATCH-OFF YOU PLAY FOR THE FIRST TIME, EVERY TIME**

**Veteran & Education Tie-In**

To demonstrate Texas Lottery’s commitment to veterans and education in our state, veterans and Educators will receive two chances to win at each event.

**Concept Payoff**

With this concept, we are literally demonstrating that there is always something new and exciting happening around the Texas Lottery experience. Additionally, this concept finds unique ways to get people talking about and sharing their first experiences using Texas Lottery scratch cards, and reminding them that “you play for the first time, every time.”

**Measuring Success**

Success for this promotion and stunt will be measured in terms of awareness generation.

<b>AWARENESS</b>
Impressions and media value from radio station promotion
Social media value from hashtag usage, likes and shares
Impressions from game attendance
Impressions from earned media efforts

## **EXPERIENTIAL – TRAVELING DIGITAL KIOSK YOU PLAY FOR THE FIRST TIME, EVERY TIME**

To maintain a presence at all the events on our proposed event tour, this concept will also feature a traveling digital kiosk experience to engage our target audience at events and encourage trial of Texas Loteria scratch cards.

### **The Participant Experience**

1. Attendees will be drawn to the Texas Loteria booth, which features an attention-grabbing branded environment, staffed by brand ambassadors who actively engage with passersby to encourage them to come try the digital kiosk game.
2. The booth environment consists of a branded tent, tables with branded tablecloths, a Texas Lottery Scratch-card vending machine branded with the Texas Loteria game, and a branded touch-screen digital kiosk that displays campaign messaging about how “You play for the first time, every time” until a participant interacts with it. Note: This booth will be an addition to the existing larger branded tent that is an annual fixture at the State Fair of Texas.
3. Passersby will be invited to play the Texas Loteria digital scratch game for a chance to win free Texas Loteria Scratch cards.
4. The participant will touch the screen on the kiosk to begin, and the screen will change to display the suite of Texas Loteria Scratch cards.
5. The participant can choose which card to play. The lower-value cards offer a better chance to win but only award the corresponding lower-value card. For example, if the user selects the \$1 card, they will find it easier to win, but will only win a \$1 card. If they select a \$5 card, it is harder to win, but the payoff is a \$5 Loteria card.
6. The user can then play a digital version of the Texas Loteria game and will be declared a winner or wished better luck next time.
7. Winners will receive a free Texas Loteria Scratch card based on the value of the card they played, thereby generating trial.
8. Non-winners will be encouraged to purchase a Texas Loteria card from the on-site vending machine, also generating trial through a selling format.

### **Social Media Integration – Participant Journey**

1. After the game is complete, the kiosk turns into a photo booth, where the user can choose to pose framed by one of three Loteria card filters – “The Big Winner” which captures the spirit of the game, “The Honorable Veteran” or “The Graduate” to highlight the support Texas Lottery gives to veterans and education.
2. Once the filter is selected, a photo is captured.
3. The participant is prompted to enter their name and email address to receive the picture and encouraged to share it using the hashtag #TexasLoteria.
4. A physical Loteria card featuring the photo is printed for the participant to take.
5. Texas Lottery will also capture photos of the events to share via its own social channels.

**EXPERIENTIAL – TRAVELING DIGITAL KIOSK YOU PLAY FOR THE FIRST TIME, EVERY TIME**

**Veterans and Education Tie-In**

To demonstrate Texas Lottery’s commitment to veterans and education in our state, veterans and educators will be allowed to play the game twice.

**Concept Payoff**

In addition to pushing our campaign messaging, “You play for the first time, every time,” this concept shows how compelling the simple act of scratching to win can be no matter how many times people have played.

**Measuring Success**

This experience will be measured through methods that track awareness, participation, sharing and trial of the Texas Loteria game.

<b>Awareness</b>	<b>Participation</b>	<b>Sharing</b>	<b>Trial</b>
Event impressions	# of participants	# of shared photos	# of free tickets given (non-selling)
Earned media impressions	# of conversations	# of hashtag posts	# of tickets purchased at vending machine (selling)
		# of shares, likes, comments	

# EXPERIENTIAL – YOU PLAY FOR THE FIRST TIME, EVERY TIME



**EXPERIENTIAL – YOU PLAY FOR THE FIRST TIME, EVERY TIME**



**YOU PLAY FOR THE FIRST TIME, EVERY TIME. WHY IT WORKS.**

By reminding Texans that Scratch-off games will always be fun no matter how much they play, we can drive frequency and incentivize trial by showing that no matter the outcome, playing is always going to be fun. Even as fun as the first time they played.

# RECAP

## CAMPAIGN 1



## CAMPAIGN 2



## CAMPAIGN 3



### **(e) Evaluation of Campaign Effectiveness**

**Methods to evaluate campaign effectiveness shall be included. Such methods for monitoring, tracking and measuring the campaign's success should point to the effectiveness and efficiency in meeting the communication goals.**

We live in a moment in history where, thanks to the advances in technology and how accessible it has become, the amount of measuring data available to us is of unprecedented proportions. With 97% of U.S. consumers ages 18-44 owning a smartphone, we have 97% of our consumers producing data for us every day throughout the day.<sup>1</sup> It is up to us to put all this data to good use and transform it into relevant and consumable information so that we make informed, data-driven business and marketing decisions.

As we have stated in previous sections, Richards/Lerma is rooted in the digital space, which naturally impacts our approach to measuring campaign effectiveness. We believe that marketing campaigns are a constantly changing processes. Therefore, measuring success doesn't just happen after the campaign has ended, but while it is still running. Campaigns should be measured almost daily to improve performance and learn how to optimize efforts to drive better results.

To do this successfully, the most important aspect of the process is to define what we want to measure prior to launch, for what specific purpose, what tools should be used, what the benchmarks are and the goals of our campaign. These questions should be answered with all aspects of the business in mind. For our specific assignment, the answers should come from an agreement between the marketing department of the Texas Lottery, Richards/Lerma strategy discipline (brand and digital) and our media partners. Nonetheless, here is an exercise of how we would put an evaluation plan into motion.

To make sure the objectives of the assignment are clear, the objectives are to increase awareness and drive trial and frequency of purchase of Texas Loteria. To do this, there are three major sections we measure: 1) Consumer perception: this measures the entire purchase funnel from the consumer's mind perspective, from the top of the funnel (brand awareness) to the bottom (brand preference); 2) Digital and social media impact: set benchmarks on social conversation volume as well as define KPIs on what we need to perform (CTR, Engagement, Video Views, Reach); and 3) Business success: measuring the financial outcome of the campaign, from return of investment to growth.

#### **1) Consumer perception**

- Brand lift study. Given that our primary objectives are to increase awareness, drive trial and increase frequency of purchase, a brand tracking study is vital. A brand lift study allows us to measure the direct impact the campaign has on Texans' knowledge and perceptions of Texas Loteria over a period of time, which implies doing a pre-test and post-test analysis. A study like this helps determine growth on product awareness (aided and unaided), trial, frequency of use and loyalty toward Texas Loteria.

- Brand equity study. This helps determine how successful we are in delivering the message. For this specific assignment, we would measure how successful we were in conveying that "Texas Loteria is more than just the ticket; it's the fun and excitement you experience before playing and the pride you feel afterwards for helping your state." To do this, we need to include both qualitative and quantitative approaches that could help explore customer perceptions and motivations, then pair that information with key consumer decision-making processes.

## 2) Digital and social media impact

- Reporting. As the digital media world and particularly social media has turned into mostly a pay-to-play platform for brands, we need to make sure we identify the KPIs for the campaign and constantly track how they perform. A paid strategy brings many benefits, and one of those is the analytics and data we get from paid content, which often delivers actionable insights that inform the rest of our communication channels. It also helps identify the audience that interacts with our content in a very granular way, which in turn results in highly relevant messages. To track this and develop these reports, we use the native tools each channel gives us such as Business Manager for Facebook, Twitter Insights and YouTube Dashboard. But we also also plug in other third-party tools like Crimson Hexagon for social listening and Union Metrics to aggregate data for a more holistic view of performance. When the budget permits, we like to challenge some of these partners with brand lift studies that identify purchase intent, awareness and more. We see social as a good indicator of how the public is receiving our campaign on the street. As stated in section 8.1.4 (b), we recommend that for this assignment we do a mid-campaign analysis and a post-campaign report. All of this data is aggregated into the Digital Scorecard to optimize and evaluate digital media performance. This Digital Scorecard is explained more in detail in the Media Plan, section 8.1.4 (b).

## 3) Business success

- Marketing mix model. This helps us better understand the strengths and weaknesses of our media mix and how much each channel is contributing to sales and growth. It's particularly helpful moving forward as it informs on best performances and prioritizes each channel as the result of statistical analysis of multiple variables, which even include external influences such as seasonality and macro socioeconomic conditions. Ideally this model would: A) provide actionable insights that help the Texas Lottery increase sales, market share and overall return on investment; and B) optimize performance by improving the effectiveness of marketing and reallocating spending.

As a campaign moves forward, GDC provides the client with periodic measurement reports to quantify the campaign's success. Broadcast media is measured by impressions, reach and frequency (audiences that were exposed to your message and how many times) and a post-buy analysis. Digital media is measured by impressions and/or clicks, and out-of-home is measured by impressions. When using experiential, we factor in participant impressions and participation at each event, earned media attention, social media impressions and data collection (opt-in) information.

Ensuring our media partners follow through requires strong stewardship. Leveraging tracking tools such as Nielsen ratings (TV/cable/radio), STRATA (buying and order software) and personal confirmations with vendors is critical to the media buying process. It's also vital to traffic all creative elements to media vendors during the appropriate campaign focus, ensuring the correct messages run accordingly. To do so, we gather all station contact information, spot upload instructions and material deadlines to create a traffic deadline matrix. This allows us to track all creative elements and distribute to media vendors in a timely manner.

Upon conclusion of a media campaign, GDC provides cumulative proof of performance (POP) reports and analyzes client ROI in relation to media activity, impressions and added value.

#### Sources

1. Millennials are Top Smartphone Users (2016, November 15.) Nielsen. Retrieved on November 17, 2017 from <http://www.nielsen.com/us/en/insights/news/2016/millennials-are-top-smartphone-users.html>

#### (f) Campaign Guidelines

All discussion and examples related to the creative assignment should be included in the Proposal. Proposers invited for an oral presentation may use props and/or audio/visual aids.

The Texas Lottery has identified the following resources for use by Proposers in preparing the creative response. Proposers are encouraged to conduct additional quantitative and qualitative analysis.

#### Resources:

- FY18 Media Flowchart Attachment I
- FY16 Sales/Revenue by Game, Attachment J
- Demographic Survey of Texas Lottery Players, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Reports.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Reports.html)
- National Association of State and Provincial Lotteries (NASPL) website, [www.naspl.org](http://www.naspl.org)
- La Fleur's website, [www.lafleurs.com](http://www.lafleurs.com)
- The Texas Lottery Commission's 2018 Business Plan, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Reports.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Reports.html)
- The Texas Lottery Commission's 2017-2021 Strategic Plan, available at: [http://www.txlottery.org/export/sites/lottery/About\\_Us/Publications/Strategic\\_Plans.html](http://www.txlottery.org/export/sites/lottery/About_Us/Publications/Strategic_Plans.html)

We have read, understand, and will comply with section 8.1.4 (f).

## **8.2 CLIENT CASE EXAMPLES**

**8.2.1 All Proposers shall provide examples of related client work from the past three years. The examples shall provide clear evidence of the thought process used to develop creative solutions to assignments similar to potential Texas Lottery projects. Proposers should clearly identify whether a client case example provided in their response is representative of the agency overall or the experience of a specific staff member. Examples should also include digital, social and experiential marketing case studies.**

We have read, understand, and will comply with section 8.2.1.

**8.2.2 The Proposer shall fully describe how the client case examples address and demonstrate the Proposer's competency and understanding of the following issues: Overall Advertising Strategy, Creative Strategy, Media Plan, Cost Effectiveness, Creative Execution and Evaluation of Campaign Effectiveness.**

We have read, understand, and will comply with section 8.2.2.

Please refer to the following pages for client case examples

**8.2.3 Audio/video exhibits must be delivered on USB drives and clearly labeled, if submitted with the Proposal as part of client case examples.**

We have read, understand, and will comply with section 8.2.3.

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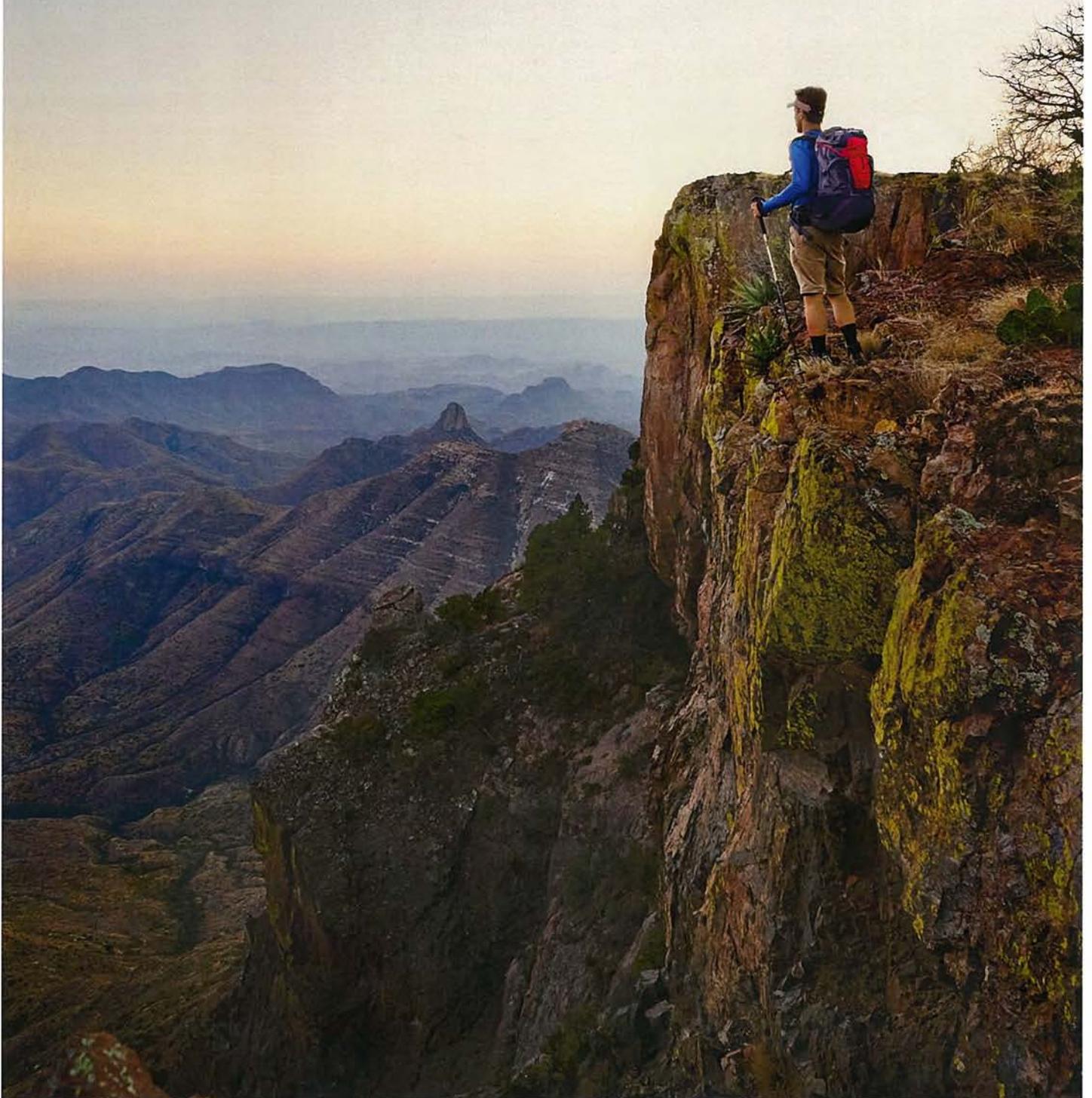
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Confidentiality Claimed  
§552.104/552.110

Confidentiality Claimed  
§552.104/552.110

Confidentiality Claimed  
§552.104/552.110

# ATTACHMENTS






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## ATTACHMENT H COST PROPOSAL

***Richards Lerma, LLC***

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Proposer's Name

**NOTE TO ALL PROPOSERS: THE COST PROPOSAL MUST BE SUBMITTED IN A SEPARATE AND LABELED SEALED ENVELOPE AND ATTACHED TO THE ORIGINAL PROPOSAL. PROPOSERS SHOULD ONLY SUBMIT ONE ORIGINAL OF THE COST PROPOSAL (NO COPIES ARE REQUIRED).**

Each Proposer must complete the cost proposal stating the hourly rates for the services stated in the RFP. Each hourly rate field must be completed with a value. Each field value amount must be greater than zero. "Not applicable" and "n/a" are not acceptable responses.

Please refer to the attached FY18 media flowchart (Attachment I) for an estimate of the production and media hours that will be required to service this account. The Texas Lottery's actual needs may vary from the sample media flowchart.

Hourly rates must include all direct and indirect costs, including all expenses associated with providing Contract services, e.g., salaries, overhead, general, and administrative mechanical print and expenses, and profit. Please refer to Section 2.10.

Proposers should consider the following items when determining hourly rates in response to the RFP:

- Production and experiential costs will be reimbursed at actual invoice cost.
- Media placement will be reimbursed at net cost with no mark-up.
- Travel expenditures will be reimbursed pursuant to the terms of this RFP and compliant with State per diem rates.

*Please note: The Texas Lottery will not pay travel time or separately reimburse any travel expenses, overnight stays, or per diem for, or resulting from, travel to and from Austin, Texas. For any travel request outside of Austin, Texas, deemed reasonable and necessary by the Texas Lottery, the Texas Lottery will reimburse the Successful Proposer in accordance with the Texas State Travel Guidelines. All travel requests must be pre-approved by the Texas Lottery.*

Services listed on this chart may be subcontracted (i.e., media planning/buying, digital, social, translation, etc.). If the Proposer plans to subcontract for these services, hourly rates shall be listed in the chart that follows. Refer to sections 6.2 Agency Staff Structure and 6.3 Agency Staff Position Definitions. In addition, if one person is performing multiple functions, hourly rates should be billed under the title for the function being performed.



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***Please refer to the attached sealed envelope as required in Section 2.10.1 for our Cost Proposal.***



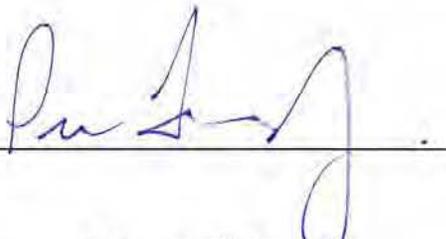
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## ATTACHMENT A PROPOSER'S COMMITMENT

I hereby commit Richards Lerma, LLC

(Company Name)

to provide the goods and services described in the attached Proposal for Advertising Services required by the Request for Proposals for the Texas Lottery Commission.

Signature: 

Title: Principal/Founder

Date: 12/04/2017



**ATTACHMENT D-1  
BACKGROUND INFORMATION CERTIFICATION**

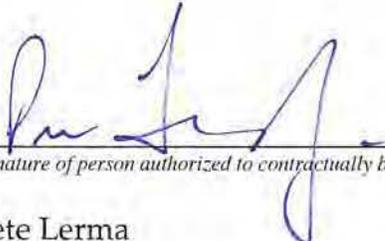
Texas Government Code ANN. § 466.155

Pursuant to Texas Government Code ANN. §466.103, the Executive Director of the Texas Lottery Commission may not award a contract for the purchase or lease of facilities, goods or services related to lottery operations to a person who would be denied a license as a sales agent under Texas Government Code ANN. §466.155.

Richards Lerma, LLC

(Company Name)

certifies that it has reviewed Texas Government Code ANN. §466.155 and that it would not be denied a license as a sales agent pursuant to said section.

  
*(signature of person authorized to contractually bind the Proposer)*

Pete Lerma  
*(printed name)*

Principal/Founder  
*(title)*

12/04/2017  
*(date)*

# AMENDMENTS



**REQUEST FOR PROPOSALS  
FOR  
ADVERTISING SERVICES  
RFP # 362-18-0002**

**AMENDMENTS TO THE RFP**

The following have been adopted by Amendment to the RFP, as permitted by Section 2.12 of the RFP.

**AMENDMENT NO. 1**

8.1.3 In 2008, the Texas Lottery launched the Texas Loteria scratch ticket. The scratch ticket is based on the colorful bingo-style game originating in Mexico. The images used on playing cards in the game have become iconic in Mexican culture and have crossed over into American pop culture as well. Over the past decade, Texas Loteria has consistently been one of the top selling scratch tickets at the \$3, \$5 and \$10 price points. Texas Loteria was also the first bilingual game launched by the Texas Lottery. For purposes of this creative assignment, the Texas Lottery plans to capitalize on the success of Texas Loteria by expanding the ticket into a suite of scratch tickets with price points at the \$1, \$3, \$5, \$10 and \$20 levels and supporting the suite with a comprehensive advertising campaign for the first time. The product goals for Texas Loteria suite creative are:

- 1) drive awareness of the suite of scratch tickets for both English and Spanish speakers throughout Texas
- 2) encourage product trial for new or lapsed players
- 3) maintain a strong Texas Lottery brand

**For reference, sample ticket art is attached.**

**\$3** **TEXAS LOTTERY**

# TEXAS LOTERIA

1) Scratch the CALLER'S CARD area to reveal 14 symbols. 2) Scratch ONLY the symbols on the PLAY BOARD that match the symbols revealed on the CALLER'S CARD. 3) If you reveal a complete row, column, or diagonal line, win the prize for that line.

<b>\$300</b>	<b>\$3</b>	<b>\$4</b>	<b>\$10</b>	<b>\$20</b>	<b>\$50</b>
<b>\$50</b>	 THE WHEEL	 THE COVERED WAGON	 THE CACTUS	 THE STRAWBERRY	<b>TABLA DE JUEGO PLAY BOARD</b>
<b>\$300</b>	 THE SPUR	 THE PIRATA	 THE MARACAS	 THE RATTLESNAKE	
<b>\$3,000</b>	 THE LIZARD	 THE ARMADILLO	 THE OIL RIG	 THE ROADRUNNER	
<b>\$50,000</b>	 THE NEWSPAPER	 THE MOONRISE	 THE MORTAR PESTLE	 THE HORSESHOE	

1) Raspa la CARTA DEL GRITÓN para revelar 14 símbolos. 2) SOLAMENTE raspa los símbolos en la TABLA DE JUEGO que son iguales a los símbolos revelados en la CARTA DEL GRITÓN. 3) Revela una línea completa, horizontal, vertical o diagonal, gana el premio para esa línea.

**CALLER'S CARD**      **CARTA DEL GRITÓN**



**WIN UP TO \$50,000!**  
**¡GANA HASTA \$50,000!**

# \$5 SUPER LOTERIA

1) Scratch the CALLER'S CARD area to reveal 21 symbols.  
 2) Scratch ONLY the symbols on the PLAY BOARD that match the symbols revealed on the CALLER'S CARD. 3) If you reveal a complete row, column, or diagonal line, win the prize for that line.

	<b>\$100</b>	<b>\$5</b>	<b>\$10</b>	<b>\$15</b>	<b>\$20</b>	<b>\$50</b>
\$200					TABLA DE JUEGO PLAY BOARD	
\$500						
\$5,000						
\$100,000						

1) Raspa la CARTA DEL GRITÓN para revelar 21 símbolos.  
 2) SOLAMENTE raspa los símbolos en la TABLA DE JUEGO que son iguales a los símbolos revelados en la CARTA DEL GRITÓN. 3) Revela una línea completa, horizontal, vertical o diagonal, gana el premio para esa línea.

CALLER'S CARD      CARTA DEL GRITÓN

\$	\$	\$	\$	\$	\$	\$
\$	\$	\$	\$	\$	\$	\$
\$	\$	\$	\$	\$	\$	\$

LOTERIA BONUS GAMES

JUEGOS DE BONO DE LA LOTERIA

Scratch ONLY the symbols on the LOTERIA BONUS GAMES that match the symbols revealed on the CALLER'S CARD. Reveal all 4 symbols in any one GAME, win the PRIZE for that GAME.

<b>GAME/JUEGO 1</b>	<b>GAME/JUEGO 2</b>	<b>GAME/JUEGO 3</b>
 THE MORTAR PESTLE	 THE PECAN TREE	 THE LIZARD
 THE COWBOY	 THE WINDMILL	 THE HORSE
PRIZE/ PREMIO	PRIZE/ PREMIO	PRIZE/ PREMIO

WIN UP TO \$100,000!

¡GANA HASTA \$100,000!

Raspa SOLAMENTE los símbolos de los JUEGOS DE BONO DE LA LOTERIA que son iguales a los símbolos de la CARTA DEL GRITÓN. Revela todos los 4 símbolos en cualquier JUEGO, gana el PREMIO para ese JUEGO.

# \$10 MEGA LOTERIA TEXAS LOTTERY

See back for instructions. • Vea las instrucciones al reverso.

	\$100	\$10	\$15	\$20	\$30	\$50	<b>TABLA DE JUEGO 1</b>
\$200							
\$500							
\$1,000							
\$250,000							

	\$200	\$10	\$20	\$30	\$50	\$100	<b>TABLA DE JUEGO 2</b>
\$500							
\$1,000							
\$5,000							
\$250,000							

## BONUS GAMES/JUEGOS DE BONO

See back for instructions. • Vea las instrucciones al reverso.

		<b>GAME 1/JUEGO 1</b>			<b>GAME 2/JUEGO 2</b>
THE MORTAR PESTLE	THE CARDINAL	<b>PRIZE/ PREMIO</b>	THE PECAN TREE	THE MOONRISE	<b>PRIZE/ PREMIO</b>
		<b>GAME 3/JUEGO 3</b>			<b>GAME 4/JUEGO 4</b>
THE COWBOY	THE OIL RIG	<b>PRIZE/ PREMIO</b>	THE WHEEL	THE SHIP	<b>PRIZE/ PREMIO</b>

## CALLER'S CARD CARTA DEL GRITÓN



**\$250,000 Top Prize!**  
**¡Premio Mayor De \$250,000!**

## AMENDMENTS TO THE RFP

The following have been adopted by Amendment to the RFP, as permitted by Section 2.12 of the RFP. The following sections have either been replaced in their entirety or new material has been added.

### Amendment No. 2

#### 3.27 ACCOUNTING RECORDS

The Successful Proposer and its Subcontractors are required to maintain and retain their books, records, information and any and all other supporting fiscal documents relevant to showing any payments under the Contract were expended in accordance with the laws and regulations of the State of Texas, including, but not limited to, requirements of the Texas Comptroller of Public Accounts and the Texas State Auditor. These records shall be available to the Texas Lottery, its internal auditors or external auditors (and other designees) and the Texas State Auditor at all times during the Contract period and for a period of **seven (7)** full years after (i) the expiration date of the Contract, or (ii) final payment under the Contract, whichever is later.

### Amendment No. 3

#### 4.2 Proposer References

A minimum of five (5) verifiable references must be provided that include contact person, name of company, phone and e-mail address. Proposers' references shall include references for which the Proposer has provided similar services as described in Part 7 of this RFP within the last five (5) years. **A minimum of five (5) verifiable references must also be submitted for any subcontractors performing a substantial amount of the services.** The Texas Lottery reserves the right to verify all information in the Proposal submitted by the Proposer and seek other information it deems necessary to conduct a thorough review.

### Amendment No. 4

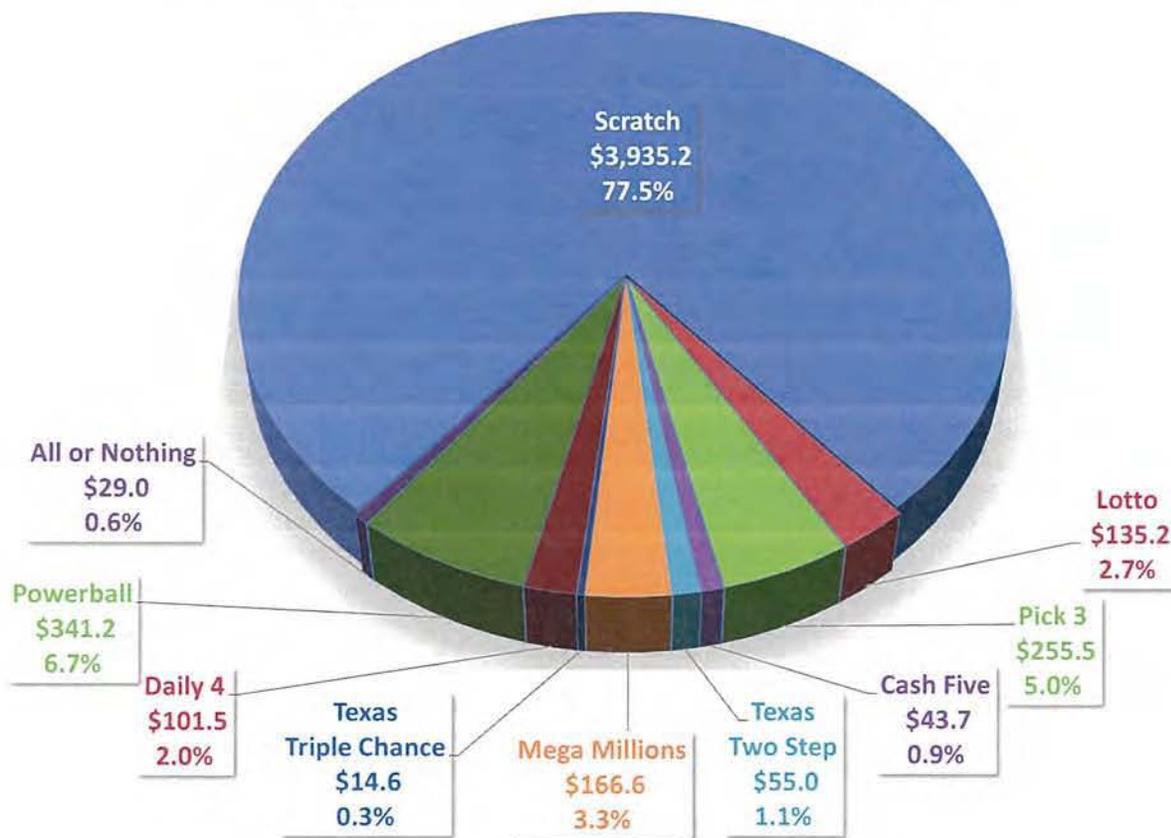
#### 6.4 AGENCY STAFF POSITION CHANGES

The Successful Proposer shall provide the same Account Director and Supervisor for all Texas Lottery projects. **The Successful Proposer shall comply with Section 3.11.2 when making staff changes.**

**Amendment No. 5**

7.4.1 The level of anticipated annual Fiscal Year spending will be determined by the Texas Lottery. The budget for Fiscal Years 2018 and 2019 is **\$24,633,448** annually. The Successful Proposer shall develop a cost-efficient advertising plan that is responsive to the Texas Lottery’s marketing needs.

**Amendment No. 6** **Texas Lottery Commission**  
**FY 2017 Sales by Game**



**Fiscal Year Sales \$5.08 Billion**

**Note: Add on sales are included with base game  
Totals may not sum due to rounding**



# LOUD AND CLEAR

**RICHARDS/LERMA**