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ADVERTISING MEDIA SERVICES PROPOSAL

RFP No. 362-2023-0002
Technical Proposal

Attention:

Roxanne Koltermann CTCD, CTCM
Contracts Management and Procurement
Texas Lottery Commission
P.O. box 16630
Austin, TX 78761-6630

November 1, 2022

SENSIS



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LETTER OF TRANSMITTAL

November 1, 2022

Texas Lottery Commission

On behalf of Sensis, I am pleased to submit our proposal, in response to RFP No. 362-2023-0002 in support of Advertising Media Services for The Texas Lottery Commission (TLC).

Sensis, an integrated cross-cultural advertising agency with in-house media planning and buying and strategy teams, is the best partner to support TLC's Advertising Media Services contract. As an agency whose media department is backed by strategy and research to ensure proper reach and cost-effective strategies, Sensis offers TLC strategic placements that will reach diverse audiences within the appropriate target DMAs throughout Texas to meet project goals. Our ability to communicate to hard-to-reach audiences has allowed us to effectively approach communication challenges for state and local clients over the last 24 years. We are experienced in working with the largest ethnic populations within the Texas market including Hispanics, African Americans, Asians, American Indian's and bi-racial audiences. Our media teams' experience buying media throughout Texas, out of our Austin SensisTX office, spans over 20+ years and offers adaptable, experienced professionals to support media planning and buying and enhance the mission of the Texas Lottery, to generate revenue for the designated beneficiaries including Texas public education and veterans.

Submission of this proposal signifies that all terms, conditions, amendments, and requirements have been read and understood. Sensis confirms we have read, understood, and will comply with the Terms and Conditions as set forth in Parts 1,2, and 3. Further, in signing this letter, as the authorized representative of the submitting bidder, I agree that the information provided is accurate and truthful, and all information will remain firm for a period of at least 180 days from the date of receipt thereof by the Texas Lottery Commission.

Should any questions arise through your review of our proposal, please contact our designated points of contact below.

Contract Point of Contact	Proposal Point of Contact
Jose R. Villa President Sensis, Inc. 5540 N Lamar Blvd Austin, TX 78756 (512) 358-1756 jrvilla@sensisagency.com	Karla Fernandez-Parker Managing Director Sensis, Inc. 5540 N Lamar Blvd Austin, TX 78756 (210) 389-3344 kfernandez@sensisagency.com



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We thank you in advance for your time and consideration and look forward to hearing from you.

Sincerely,

Jose Villa
President
Sensis, Inc.
jrvilla@sensisagency.com



EXECUTIVE SUMMARY

With the Texas Lottery's overall ticket sales totaling \$8 billion dollars in 2021, it is safe to say that Texans are playing the lottery. However, The Texas Lottery Commission is seeking to generate more than just awareness of new and current Texas Lottery® games, they are also seeking to spread awareness of the mission of the Texas Lottery to generate revenue for the State's designated beneficiaries including Texas public education and veterans. In doing so, The Texas Lottery Commission (TLC) is looking to partner with an advertising media planning and buying agency who has the experience, knowledge, and capability to successfully communicate to Texans 18+ across the state.

Sensis is an integrated cross-cultural marketing agency. We bring a 24-year track record of success working with large government and commercial clients on integrated advertising campaigns. We are the largest minority-owned advertising in the country and in Texas.

Sensis is a strategy-led agency built around a research and strategy. Research and data inform everything we do. We leverage our strategy team to inform all our media planning and buying efforts to ensure each audience segment is appropriately reached with the right message, at the right time and place. Sensis offers TLC proprietary market research tools and methodologies to help meet communication needs across their broad Texas audiences. We offer strategy capabilities and resources typically only available through market research firms.

Sensis, a cross-cultural, full-service advertising agency, offers TLC exactly what they need to communicate responsibly to their diverse audience of Texans 18+. We offer:

- Research backed media planning and buying
- A media team that purchased over \$30 million in paid media in 2021, and over \$10 million across the State of Texas
- In-house strategic planning and analytics to appropriately plan and evaluate media placements
- Seasoned media professionals who have placed media across every county and DMA in Texas
- Proprietary cultural insights that allow us an upper hand in placing media based on audiences' perceptions, behaviors, buying power, and knowledge
- Experience managing large scale media placements of this scope within diverse audiences

Our media planning and buying team has over 100 years of collective experience and has supported a plethora of large-scale and Texas statewide media buys. Sensis, being a multi-cultural advertising agency understands the importance of targeting audiences uniquely, based on their individual media consumption habits. Sensis has the talent and experience to service the Texas Lottery Advertising Media Services account. Our proposed team offers a breadth of experience in paid media and strategic planning. Sensis offers the Texas Lottery an impressive team of professionals to service this account. Though our teams may work within different verticals, we work as one cross-functional team to cut out silos and offer the Texas Lottery a transparent and streamlined partner to efficiently manage this project. Our proposed media and



strategy departments have successfully planned, managed, and implemented for various clients including Anthem, UnidosUS, CapMetro, the CDC, Chef Merito, AT&T, and the U.S. Army.

While the media team will manage the bulk of the media planning and buying working alongside our strategy and analytics team, Sensis' accounts team will also play a pivotal role in ensuring success for the TLC advertising media and planning project. Our Account Manager, Karla Fernandez-Parker, has 25+ years of experience managing large statewide ad campaigns in Texas, and will act as the main point of contact to streamline updates, reports, and performance to the TLC project team. He will also be responsible for:

- Leading the efforts for sponsorship activation, speaking with points of contact for well-known and aligned public events across the state of Texas and in our established DMAs.
- Ensuring our media planning and budget implementation remains within scope and budget.
- Work with our financial department to manage billing invoicing to ensure it is delivered in accurately and in a timely manner
- Facilitate meeting with TLC stakeholders to ensure all parties are aware of project progress
- Schedule meetings and share logistics related to meeting with TLC vendors.
- Conduct research to stay abreast of industry trends by attending various conventions, HUB expos, and related meetings to relay information to TLC stakeholders and the Sensis project team.

Sensis' project team is more than capable of fulfilling the needs of TLC and offers a **unique approach** to effectively communicate to all audiences within Texas 18+. Through past and current engagements, Sensis offers TLC a project team with extensive knowledge and experience in managing, planning, and implementing lottery advertising. We bring extensive experience working with similar sized clients and marketing campaigns across Texas. This includes recent experience with Anthem, UnidosUS, Tadin Teas, Iberdrola Texas, and Germania Insurance.

Texas is one of the most diverse states in the country, with Hispanics, Blacks, Asians, and other races representing 74% of the state's overall population. In fact, as of 2022, Hispanics already represent the largest percentage of Texas' population (41%). Looking ahead to the next 5 years, Texas' population is projected to grow by another 1.5 million (5%), with most of that growth coming from Hispanics, Asians, and other races. Sensis – A CrossCultureAll Agency for Texas: As the largest multicultural advertising agency located in the heart of Texas, Sensis is intimately aware of and an expert in leveraging these demographic shifts. We have been working with diverse communities for over 24 years and have established ourselves as a thought-leader in the multicultural space. At SensisTX, the moniker for our Austin-based Texas agency team, our motto is “for Texas by Texans”. We are proud of our focus on Texas, working in every single market across the state to help our clients make the “Texas connection”.

Our proposed Media Response for the Texas Lottery showcases our approach to large-scale media plans and our deep knowledge of the Texas Lottery and the markets they serve. Sensis conducted extensive syndicated research to identify and define the most appropriate target audiences to meet the Texas Lottery's objectives to increase Scratch ticket sales through Awareness, Trial and Participation among defined target audiences. Using 2022 MRI Simmons Spring Doublebase data we identified the optimal target for “Awareness” and “Trial” as a look-alike audience of current heavy scratcher players – essentially people who share a large number



of demographic and psychographic characteristics with an 80% level of correlation to heavy scratcher players that DO NOT currently play scratchers. We identified a second target of Light Scratch players as the optimal audience to target for “Participation” in the form of overall sale, by increasing Scratch ticket sales to current light players.

Sensis developed a custom geographic market weighting model to determine the proper media budget allocation across 20 Texas DMAs. We developed a media strategy based on customer journey campaign model, which focuses on the entire customer journey and identifies the appropriate media tactics for each step in the customer journey. Paid media will be used to reach our two targets and move them along the user journey to purchase and loyalty. Our proposed media campaign is summarized by media channel for each target audience:

Media Tactics	Heavy Scratcher Look-a-Like Audience	Light Scratcher Audience
Digital Banners	Google Display Network, Ethnic Partner	Google Display Network
Streaming / Digital Video	Ethnic Media, YouTube, TikTok, Netflix	Amazon, Netflix
Radio/Audio	Radio, Amazon, Katz Streaming (General, Hispanic, African American)	Pandora, Amazon, Katz Streaming (General, Hispanic, African American)
Social	Reddit, Twitter	Facebook, Instagram
Out-of-Home	Grocery TV, Gas Station TV, C-Store Poster	Grocery TV, Gas Station TV, C-Store Poster
Search	Google Search	Google Search

Our proposed media campaign will effectively reach each of our proposed target segments along each step in their user journey. Our proposed media mix will provide an overall 96.3% reach and 24.1x frequency for Texans 18+.

In addition to fiscal year reporting and audit requirements, Sensis will provide sales analysis by promoted product and media market on an ongoing basis. Sensis will implement a brand tracker study to measure campaign effectiveness across media. Sensis will also provide timely reports that include Impressions, Clicks, CTR, CPC, VCR and other metrics for the digital campaigns. Sensis will steward Texas Lottery advertising dollars and implement many tactics for monitoring and tracking that all media that is purchased is being efficiently and effectively deployed. Sensis will also provide Texas Lottery with a custom Ad Effectiveness Measurement system that will utilize advanced statistical analyses to track media performance metrics to Texas Lottery sales, providing a true measure of Advertising Media performance and ROI. All metrics and measurements noted will be aggregated and incorporated into a web based KPI dashboard data visualization tool, provided to the Texas Lottery as part of the scope of our media management services.

We have read, understand, and will comply with all elements of RFP 362-2023-0002.



1. PART I – 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 media services for the Texas Lottery with the objective of responsibly communicating information to all adult (ages 18+) Texans. The intent is to promote Texas Lottery® games and enhance awareness of 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:

- FY23 Media Flowchart Attachment J
- FY21 Sales by Game/Revenue, Attachment K
- 2020 Demographic Study of Texas Lottery Players, available at: https://www.texaslottery.com/export/sites/lottery/About_Us/Publications/Reports.html
- National Association of State and Provincial Lotteries (NASPL) website, www.naspl.org
- La Fleur's website, www.lafleurs.com
- The Texas Lottery Commission's 2022-2023 Comprehensive Business Plan available at: https://www.texaslottery.com/export/sites/lottery/About_Us/Publications/Reports.html
- The Texas Lottery Commission's 2023-2027 Agency Strategic Plan, available at: https://www.texaslottery.com/export/sites/lottery/About_Us/Publications/Strategic_Plans.html
- FY 22 Sales by Designated Market Area (DMA) Attachment L

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.

1.1.4 The Successful Proposer must be able to perform the functions of an advertising media planning and buying agency, including, but not limited to, planning, buying and stewardship of broadcast, newspaper, digital, social, out-of-home media, and sponsorship activations.



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://txsmartbuy.com/sp>, and/or the Texas Lottery website, <https://www.texaslottery.com> (Click on About, Doing Business with TLC, Procurement).

Date	Event
September 13, 2022 (4:00 p.m., CENTRAL TIME)	Issuance of RFP
September 27, 2022 (1:30 p.m., CENTRAL TIME)	Pre-Proposal Conference (Virtual conference see Section 2.3)
October 4, 2022 (4:00 p.m., CENTRAL TIME) (Late Questions will not be answered)	Written Questions Due
On or before October 12, 2022	Responses to Written Questions Issued
October 19, 2022 (4:00 p.m., CENTRAL TIME)	Final date for submission of draft HSP forms and final date to conduct one-on-one workshops (Zoom, TEAMS or telephone conference)
November 1, 2022 (4:00 p.m., CENTRAL TIME) (Late Proposals will not be considered)	Deadline for Proposals
January 9 – 13, 2023 and January 16 – 20, 2023	Oral Presentations
On or before February 3, 2023 (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

- 1.6.1 This RFP and all activities leading toward the execution of a written contract under this RFP are being conducted in accordance with the State Lottery Act (Tex. Gov't Code. §§ 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) (Chapter 552, Government Code). 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. Additionally, see Sec. 552.0222 of the Act relating to contracting information that is considered public and must be released.

Sensis has marked 4 sections of the proposal as confidential for the following specific reasons:

- **Section 4.1.2 – List of Contracts – this section includes sensitive financial and scope of work information about active Sensis client contracts, including many commercial client accounts protected by NDAs with those organizations.**



- **Section 4.1.2 – Client Case Study Examples** - this section includes sensitive and confidential marketing information and results about active Sensis client contracts, including many commercial client accounts protected by NDAs with those organizations.
- **Section 4.2 – References** – this section has personally identifiable information about Sensis client contacts, including their email addresses, phone numbers, and job titles.
- **Attachment H – Cost Proposal** – this section includes confidential and sensitive financial information related to Sensis core operations and financial structure.

- 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.
- 1.7.4 The requirements of Subchapter J of the Act may apply to this Proposal and the Proposer, contractor, or vendor agrees that the contract can be terminated if the Proposer, contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter. See Attachment I.

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.

1.16. Parts Incorporated

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

We have read, understand, and will comply with Part 1 of the RFP.



2. PART 2 – PROPOSAL PROCESS

2.1. Contact Person

- 2.1.1 The sole point of contact for communications concerning this RFP will be Roxanne Koltermann, whose mailing address and email address, are as follows:

Roxanne Koltermann CTCD, CTCM
Contracts Coordinator
Texas Lottery Commission
P. O. Box 16630
Austin, TX 78761-6630
Phone (512) 344-5184
contracts@lottery.state.tx.us

- 2.1.2 The Texas Lottery Headquarters physical address for deliveries is:

Roxanne Koltermann CTCD, CTCM
Contracts Management and Procurement
George H.W. Bush State Office Building
Texas Lottery Commission
1801 N. Congress Avenue 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 virtual Pre-Proposal Conference. 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 link to the virtual Pre-Proposal Conference will be posted on the Texas Lottery® website at <https://www.texaslottery.com> and on the Electronic State Business Daily (ESBD), <http://txsmartbuy.com/sp> in advance of the day and time listed in the



Schedule of Events. The Texas Lottery intends to use Microsoft Teams for the conference. A video of the Pre-Proposal Conference will be posted on the Texas Lottery website. 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://txsmartbuy.com/sp>, and the Texas Lottery website, <https://www.texaslottery.com>, 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

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 Roxanne Koltermann 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 Texas Lottery headquarters has moved to 1801 N. Congress Ave. to the George H.W. Bush Building. This is a secure building, and all visitors must check in at the front desk. If you are hand delivering a Proposal, please allow adequate time to check in and for TLC staff to retrieve your Proposal timely prior to the submission time listed in the Schedule of Event. Any updates will be provided on the ESBD and the TLC websites.

2.5.3 The Proposer shall submit one (1) signed original and seven (7) 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, unless a section requires a specific detailed answer from the Proposer. 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 an HSP.

- 2.5.4 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 clearly mark each item of the claimed material as “Confidential”.
- 2.5.5 A Proposer may not amend a commitment to comply with a specific section of this RFP by a later reference back to that section
- 2.5.6 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.
- 2.5.7 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.
- 2.5.8 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.
- 2.5.9 In addition to the printed Proposal, the Proposer must also submit one copy of the entire Proposal, excluding the Sealed Cost Proposal, on a 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 on the USB drive, the contents of the printed Proposal shall take precedence. The content on the USB drive or soft copy required herein will not be accepted in lieu of the signed original and copies as required in Section 2.5.2.
- 2.5.10 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 2.5.3 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 or a separate PDF if submitted electronically. 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 cause for disqualification.

2.11. Multiple Proposals

Each Proposer may submit only one (1) 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 BusinessDaily 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 ESBD 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 §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. Site Visits and/or Oral Presentations

- 2.16.1 Proposers shall be required to make oral presentations which may be in person or virtual to the evaluation committee. See the Schedule of Events for dates.
- 2.16.2 Proposers invited for an oral presentation will be notified in advance with expectations and guidelines. Oral presentations will not exceed forty-five (45) total minutes, including any time for set-up, presentation, and breaks. There will also be up to fifteen (15) minutes of Q&A and tear down. 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 media plan assignment. 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 presentation may be recorded 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 §466.101 and 16 TAC §§ 401.102-103.

We have read, understand, and will comply with Part 2 of the RFP.



3. PART 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 Texas 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 weekends, or State or national holidays, as defined in Tex. Gov't Code §662.003.

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. ch. 2251 (Payments for Goods and Services). The Successful Proposer shall submit invoices in accordance with Section 7.13 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 Under Tex. Gov't Code §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, according to Tex. Gov't Code §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 four (4) payments due during the last year of any Contract resulting from this RFP (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 Tex. Gov't Code §403.055, 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. §403.055, 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 §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. “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. (See Section 3.12.) 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 media staffing 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 §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 Tex. Gov’t 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 §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. (See Attachment D.)

- 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 upon execution and continue through August 31, 2028, 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 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 six (6) additional months, in one-month intervals, at the Contract rate or rates as modified during the term of this Contract.
- 3.14.3 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 fifty thousand dollars (\$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 thirty-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 and are subject to statutory restrictions of the Texas Legislature and the Texas Constitution. 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

Under Tex. Gov't Code §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 §466.155. (See Attachments D and D-1.)

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 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 §466.155. (See Attachment D and D-1)
- 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. Licenses and Permits

The Successful Proposer shall obtain, maintain and pay for all licenses, permits and certificates, including all professional licenses required by any statute, ordinance, rule or regulation. The Successful Proposer shall immediately notify the Texas Lottery of any suspension, revocation or other detrimental action against its licenses, permits or certificates.

3.22. 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.

3.23. Intellectual Property Rights

- 3.23.1 *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.

3.23.2 *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.

3.23.3 *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.

3.23.4 *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.



- 3.23.5 *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, the right to object to any modification, translation or use of the Works, any automatic reversion or right to demand a reversion of ownership of the Works or Intellectual Property Rights therein from the Texas Lottery to the Successful Proposer, 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.
- 3.23.6 *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.
- 3.23.7 *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 a bond or proof of irreparable injury as same should be presumed.
- 3.23.8 *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.
- 3.23.9 *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 assert its copyright on any products, equipment or any other goods provided under the Contract.



3.24. Pre-existing and Third-Party Rights

3.24.1 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 the use of materials containing 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.

3.24.2 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.



3.25. 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.

3.26. 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.

3.27. 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.



3.28. Indemnification

- 3.28.1 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 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 3.24.1 ABOVE.
- 3.28.2 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.

3.29. Insurance

- 3.29.1 At minimum, at all times during the Contract, the Successful Proposer shall maintain the insurance coverage required in RFP Sections 3.29 – 3.35. The Successful Proposer shall not cause any insurance required under the Contract to cancel nor permit any insurance to lapse during the term of the Contract.
- 3.29.2 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.
- 3.29.3 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.
- 3.29.4 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.
- 3.29.5 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. Successful Proposer shall provide the Texas Lottery thirty (30) days written notice of erosion of any aggregate limit. Insurance coverage shall not be canceled, non-renewed or materially changed except after thirty (30) Days' notice by certified mail to the Texas Lottery. Actual losses not covered by insurance as required by



this Contract shall be paid by the Successful Proposer.

- 3.29.6 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.
- 3.29.7 The Texas Lottery reserves the right to review the insurance requirements of this section during the effective period of the Contract and to make reasonable adjustments to insurance coverage and its limits when deemed necessary and prudent by the Texas Lottery based upon changes in statutory law, court decisions or the claims history of the industry as well as the Successful Proposer (such adjustments shall be commercially available to the Successful Proposer).

3.30. 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.

3.31. 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 (\$5,000) medical expense each person.

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

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



3.33. 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.

3.34. Crime Insurance

- 3.34.1 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 losses, including lost income, lost profits, extra expenses and other consequential losses suffered by the Texas Lottery, resulting from 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 any loss 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.

3.35. Performance Bond

- 3.35.1 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 five hundred thousand dollars (\$500,000) 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.
- 3.35.2 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.
- 3.35.3 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.



3.36. Disclosure of Litigation

- 3.36.1 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 4.5.
- 3.36.2 This is a continuing disclosure requirement; any litigation commencing after submission of a Proposal (and for the Successful Proposer, after Contract Award) must be disclosed in a written statement to the Texas Lottery’s General Counsel within fifteen (15) Days of its occurrence.
- 3.36.3 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.

3.37. 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.

3.38. Force Majeure / Delay of Performance

- 3.38.1 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.



- 3.38.2 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.

3.39. Taxes, Fees and Assessments

- 3.39.1 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.
- 3.39.2 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.

3.40. Media Releases

The Successful Proposer shall not issue any media releases or publish information to the public, including on social media platforms, 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.



3.41. 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.

3.42. Hiring of Texas Lottery Personnel

- 3.42.1 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.
- 3.42.2 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.
- 3.42.3 Under Tex. Gov't Code §572.069, 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.

3.43. 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, under 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 Successful Proposer shall immediately notify the Texas Lottery in the event of change of lobbyist, consultant, or advisor information.



3.44. 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 Management and Procurement

P.O. Box 16630

Austin, Texas 78761-6630

Fax (512) 344-5058

Contracts@lottery.state.tx.us

3.45. 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.

3.46. 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.

3.47. Ticket Purchase

- 3.47.1 Under Tex. Gov't Code §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 §466.254.

- 3.47.2 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.

3.48. Liquidated Damages

- 3.48.1 **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;
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; and
7. liquidated damages are not intended to be exclusive of any other available remedy or penalty under the Contract.



- 3.48.2 **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.
- 3.48.3 **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 under 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.
- 3.48.4 **Severability of Individual Liquidated Damages Clauses.** If any portion of these liquidated damages provisions are determined to be unenforceable, the other portions of these provisions shall remain in full force and effect.
- 3.48.5 **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.
- 3.48.6 **Failure to Meet Media Buys, Media Services, Sponsorship Activations, Media Evaluations and/or Out-of-Home Production Deadlines.** The failure of the Successful Proposer to meet the media buys, sponsorship activations and media evaluations under RFP Sections 7.5.5, 7.7 and 7.10 for each campaign as planned, media services under RFP Sections 7.6 for each campaign as planned, and/or out-of-home production under RFP Sections 7.8 and 7.9 for each campaign as planned 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.
- 3.48.7 **Failure to Provide Written Notification of Media Staffing Changes Timely.** The failure of the Successful Proposer to provide written notification of media staffing changes as required by RFP Section 3.11 may result in the Successful Proposer being assessed liquidated damages in the amount of one hundred dollars (\$100) per Day for each Day the written notification is not received.
- 3.48.8 **Failure to Provide Annual Media Plan Timely.** The failure of the Successful Proposer to provide an annual media plan as required by Section 7.3 may result in the Successful



Proposer being assessed liquidated damages 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.

- 3.48.9 **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 liquidated damages 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.

3.49. Sanctions and Remedies Schedule

- 3.49.1 **General.** Section 2261.101 of Tex. Gov't Code 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." Sanctions are not intended to be exclusive of any other available remedy or penalty under the Contract.
- 3.49.2 **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.
- 3.49.3 **Failure to Assess Sanctions.** The failure of the Texas Lottery to assess sanctions in any instance where the Texas Lottery is entitled to sanctions under the terms of this RFP, or the Contract shall not constitute waiver in any fashion of the Texas Lottery's rights to assess sanctions.
- 3.49.4 **Severability of Individual Sanctions Clauses.** If any portion of these sanctions provisions are determined to be unenforceable, the other portions of these provisions shall remain in full force and effect.
- 3.49.5 **Purchase of Texas Lottery Tickets.** The failure of the Successful Proposer to comply with the requirements of RFP Section 3.47 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.
- 3.49.6 **Failure to Report Significant Incidents and Anomalies and/or to Comply with the RFP Code of Conduct Requirements.** The failure of the Successful Proposer to report



all significant incidents and anomalies to the Texas Lottery as required by Section 3.62 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. The failure of the Successful Proposer to comply with the code of conduct requirements in Section 3.60 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.

- 3.49.7 **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 3.37 and 4.5 may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.49.8 **Unauthorized Disclosure.** The failure of the Successful Proposer to comply with the non-disclosure requirement in Section 3.45 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident.
- 3.49.9 **Failure to Disclose Litigation.** The failure of the Successful Proposer to disclose litigation as required by Section 3.36 of this RFP may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.49.10 **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.
- 3.49.11 **Failure to Obtain Prior Written Approval before Issuing Media Release.** The failure of the Successful Proposer to comply with RFP Section 3.40 regarding the issuance of media releases may result in the Successful Proposer being assessed sanctions in the amount of one thousand dollars (\$1,000) per incident.
- 3.49.12 **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 3.43 may result in the Successful Proposer being assessed sanctions in the amount of one hundred dollars (\$100) per Day for each Day that the filing is not provided.
- 3.49.13 **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.
- 3.49.14 **Missing/Incomplete Intellectual Property Search.** The failure of the Successful Proposer to adequately conduct an intellectual property search as required by this RFP may result in the Successful Proposer being assessed sanctions in the amount of five thousand dollars (\$5,000) per incident. 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.

3.50. Dispute Resolution

The dispute resolution process provided for in Tex. Gov't Code 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.

3.51. Certifications

- 3.51.1 Under Tex. Gov't Code §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 §466.155. All Proposers must read and be familiar with Tex. Gov't Code §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 §466.155 and neither the Proposer nor any of the following persons would be denied a license as a sales agent under said section: (a) Proposer's officers, directors, investors, owners, partners and other principals, as more particularly described in Tex. Gov't Code §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.
- 3.51.2 Under §231.006 of the Tex. Fam. Code, 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 §231.006 must include names and social security numbers of each person with at least twenty-five percent (25%) ownership of the business entity submitting the Proposal. This information must be provided prior to Contract Award.
- 3.51.3 Under §2261.053 of the Tex. Gov't Code, 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; or convicted of any offense related to the direct support or promotion of human trafficking. 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.”

3.51.4 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 §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.

3.51.5 The Proposer certifies that it is in compliance with Tex. Gov’t Code §669.003, relating to contracting with the executive head of a state agency. If §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

3.51.6 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. Gov’t Code §2252.001.

3.51.7 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.

3.51.8 Under §2155.004 of the Tex. Gov’t Code , 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.”

- 3.51.9 Under §2252.907 of the Tex. Gov’t Code, the Successful Proposer is required to make any information created or exchanged with the State under 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.
- 3.51.10 Under §2271.002 of the Tex. Gov’t Code, the Executive Director may not award a contract for goods or services unless the contract contains a written verification from the Proposer that it: (1) meets exemption criteria under §2271.002; or (2) will not boycott Israel during the term of the contract. Proposer shall state any facts that make it exempt from the boycott certification in its bid. 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.
- 3.51.11 Under §2252.152 of the Tex. Gov’t Code, 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.
- 3.51.12 Under §2155.0061 of the Tex. Gov’t Code, a state agency may not accept a proposal or award a contract if the contract includes the financial participation who, within a five-year period from the date of the proposal or award, has been convicted of any offense related to the direct support or promotion of human trafficking. The Proposer certifies that the individual or business entity named in this Proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated, and payment withheld if this certification is inaccurate.
- 3.51.13 Under Tex. Gov’t Code §2274.002, a state agency may not award a contract for goods or services unless the contract contains a written verification from the bidder that it: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. By signing and submitting a Proposal, the Proposer certifies that it does not boycott energy companies and will not boycott energy companies during the term of the Contract.
- 3.51.14 Under Tex. Gov’t Code §2274.002, a state agency may not award a contract for goods or services unless the contract contains a written verification from the bidder that it: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. By signing and submitting a Proposal, the Proposer certifies that it does not discriminate against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the Contract.



3.51.15 The Proposer agrees to comply with Tex. Gov't Code §2155.4441, pertaining to service contract use of products produced in the State of Texas.

3.51.16 Under §161.0085 of the Health and Safety Code, a state agency may not enter into a contract payable with state funds with a business in this state that requires a customer to provide any documentation certifying the customer's COVID-19 vaccination or post-transmission recovery on entry to, to gain access to, or to receive services. By signing and submitting a Proposal, the Proposer certifies that it does not require a customer to provide any documentation certifying a customer's COVID-19 vaccination or post-transmission recovery upon entry to, to gain access to, or to receive services and will not require such during the term of the Contract.

3.52. Preferences

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

3.53. 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, 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.

3.54. 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.



3.55. 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).

- 3.55.1 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.
- 3.55.2 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).

3.56. Cybersecurity Training, Cloud Computing and Data Protection

- 3.56.1 Under Tex. Gov't Code §2054.5192, any contractor with access to a TLC computer system or database shall complete a cybersecurity training program certified under §2054.519. The Successful Proposer shall verify completion and sign the Texas Lottery's Information Security Agreement with TLC prior to receiving access to computer systems or databases.
- 3.56.2 Under Tex. Gov't Code §2054.0593, any cloud computing services utilized by the Proposer under the Contract resulting from this RFP shall comply with the requirements of the state risk and authorization management program. The Proposer shall maintain program compliance and certification throughout any Contract term and shall be required to demonstrate compliance with program requirements upon request by the TLC.
- 3.56.3 Under Tex. Gov't Code §2054.138, any Proposer authorized to access, transmit, use, or store data for the TLC shall meet the designated security controls as established by TLC and determined to be proportionate with the contract risk and the sensitivity of the data. The Proposer must periodically provide evidence of compliance with the security controls required under the Contract upon request by the TLC.
- 3.56.4 The Successful Proposer agrees that all products and/or services provided hereunder that are equipped with data storage (i.e. computers, telephones, printers, fax machines, scanners, multifunction devices, etc.) shall have the capability to securely erase data written to the data storage device prior to final disposition of such products and/or services, either at the end of the product's useful life or the end of the related services contract for such products and/or services, in accordance with 1 TAC §202.



3.57. 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.

3.58. 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.

3.59. 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 §15.01, et seq.

3.60. 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 Ch. 466) and Texas Lottery rules, procedures and policies.
- g. Provide best practices related to security and integrity standards within the industry.

3.61. Contact with Texas Lottery Commission

- 3.61.1 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 §467.001(4) and as may be subsequently changed or amended by acts of the Texas Legislature.
- 3.61.2 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.
- 3.61.3 Professional socialization at activities, such as industry trade conferences and site visits, is permitted.



3.62. 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.

3.63. 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.

3.64. 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.

3.65. 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.

We have read, understand, and will comply with Part 3 of the RFP.



4. PART 4 – 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+).

We have read, understand, and will comply. Please find our response to Section 4.1.1 on the following pages.



SECTION 4.1.1 – Overall Experience

AGENCY OVERVIEW

S E N S I S #CrossCultureAll

BACKGROUND	SERVICES
<ul style="list-style-type: none"> Advertising, PR and Digital agency 156 employees \$41M in revenue (2021) 24 years in business Independent, 100% minority-owned and certified (MBE, DBE, SB, LBE) Offices in Austin, Atlanta, LA, and DC 	<p>Integrated in-house capabilities to create touchpoints across all media:</p> <div> <div> Research Creative Digital Experiences </div> <div> Strategy Analytics Data Science </div> <div> Paid Media Public Relations Social Media </div> </div>
CLIENTS	DIFFERENTIATORS
<p>Integrated cross-cultural marketing agency</p>	<ul style="list-style-type: none"> Strategy-led agency built around in-house research and insights capabilities Combined multicultural and general market expertise Diverse DNA – our team is over 70% diverse and represents the communities we reach Sensis is the largest minority-owned ad agency in the US

OUR APPROACH

Sensis is a strategy-led agency built around a research and strategy. Research and data inform everything we do. We leverage our strategy team to inform all our media planning and buying efforts to ensure each audience segment is appropriately reached with the right message, at the right time and place.

<h4>Research & Data Science</h4> <ul style="list-style-type: none"> Research and data underpins all our work In-house market research and strategy capabilities Our clients have access to a robust suite of syndicated, proprietary and innovative digital research tools 	<h4>Measurement</h4> <ul style="list-style-type: none"> We measure everything - utilizing tools and innovative solutions to make sure all our programs can be tracked and optimized Measurement across each step in the customer journey We develop KPI Dashboards that aggregate data to tell actionable stories
<h4>Personalization</h4> <ul style="list-style-type: none"> Identify segments and customize messaging Produce multiple iterations of content to deliver the right message to multiple audiences at the right time Leverage digital experiences to achieve high conversion rates 	<h4>Cross-cultural</h4> <ul style="list-style-type: none"> Innovative, proprietary cross-cultural approach to cultural marketing Combine Hispanic, African-American, Asian, and mainstream insights to inform all our work



MEDIA CAPABILITIES

Our media planning and buying team has over 100 years of collective experience and has supported a plethora of large-scale and Texas statewide media buys. Sensis, being a multi-cultural advertising agency understands the importance of targeting audiences uniquely, based on their individual media consumption habits.



Media Planning

Media Research
Media Mix Modeling
Media Plan
Audience Segmentation



Media Buying

Media Buying
Media Management
Media Optimization
Media Reconciliation

Sensis has provided Media Planning and Buying services to **104 clients** since 2002.



Digital Media

Programmatic / DSP Media
Search Engine Marketing / PPC
Paid Social Media
Influencer Marketing



Data Science & Analytics

Media Reporting & Analytics
ChannelMix Dashboards
Multi-touch Attribution
Channel Attribution
Media Effectiveness Studies

- Our media team handles media planning and buying across all channels with annual media billings of over **\$25 million**
- We are active and have placed media in all Texas markets and counties.

MARKET RESEARCH CAPABILITIES

Sensis offers TLC proprietary market research tools and methodologies to help meet communication needs across their broad Texas audiences. We offer strategy capabilities and resources typically only available through market research firms.

Insights

Syndicated Research



Proprietary Research



Social Listening



On-demand Research

Primary Research



OVERVIEW

- Our syndicated Research and Insights helps us develop deep consumer and market understanding
- We've assembled a robust portfolio of syndicated partners across diverse practices to derive actionable intelligence
- Sensis Research and Insights is the first step in helping understand client's market, trends, identify opportunities, and gain visibility to their competitive landscape
- We pair syndicated research with primary proprietary research methodology for more comprehensive insights
- Our Research and Insights team employs social listening to track audiences, hone-in on trend and identify engagement opportunities



Sensis combines prominent syndicated research with cutting-edge proprietary research for added insight to help us properly reach and communicate with diverse audiences, keep track of audiences' continually shifting perceptions and media preferences, and understand the buying power, media consumption, and cultural differences of audience segments.

Our proprietary research which includes deep insights into diverse generations such as Gen Z, Millennials, and Baby boomers, is particularly important to Texas due to its majority-minority status. These insights allow us to better understand each audience segments within Texas.

RELEVANT CAPABILITIES AND EXPERIENCE

MEDIA PLANNING AND BUYING

Sensis offers an in-house integrated media planning and buying department with over 25 years of experience and unmatched clout in various markets across the nation, and specifically across Texas. We are well versed in both traditional and digital media planning and buying.

Our clients attest to our negotiating power to deliver discounted rates and added value, well above 20% on most programs, through over \$20 million in media buys across the U.S. each year. Our seasoned media staff have been placing and buying media in Texas for over 25 years and offer extensive media clout that is beneficial for obtaining prime time placements to align with diverse target audiences. Our Associate Media Director, Shelly Wright has lived and worked in the state of Texas for over 25 years where she has purchased media across the state in both rural and urban locations. She is well experienced in planning and buying media all the major DMAs and has worked alongside the proposed team for this project to lead Texas media buys for public and private clients.

LOTTERY EXPERIENCE

Through past and current engagements, Sensis offers TLC a project team with extensive knowledge and experience in managing, planning, and implementing lottery advertising.

Georgia Lottery



the state.

Sensis is currently the Georgia Lottery's Hispanic agency partner, handling all Hispanic marketing strategy and creative development. We have been working with Georgia Lottery for other 6 years, helping the Georgia Lottery reach and increase sales among Hispanics throughout



Virginia Lottery



Sensis worked with the Virginia Lottery, helping plan, design and launch their first Hispanic-targeted campaigns. Our team provided strategy, creative and media planning and buying services to the Virginia Lottery, helping them grow their sales among Virginia's burgeoning Hispanic population.

California Lottery

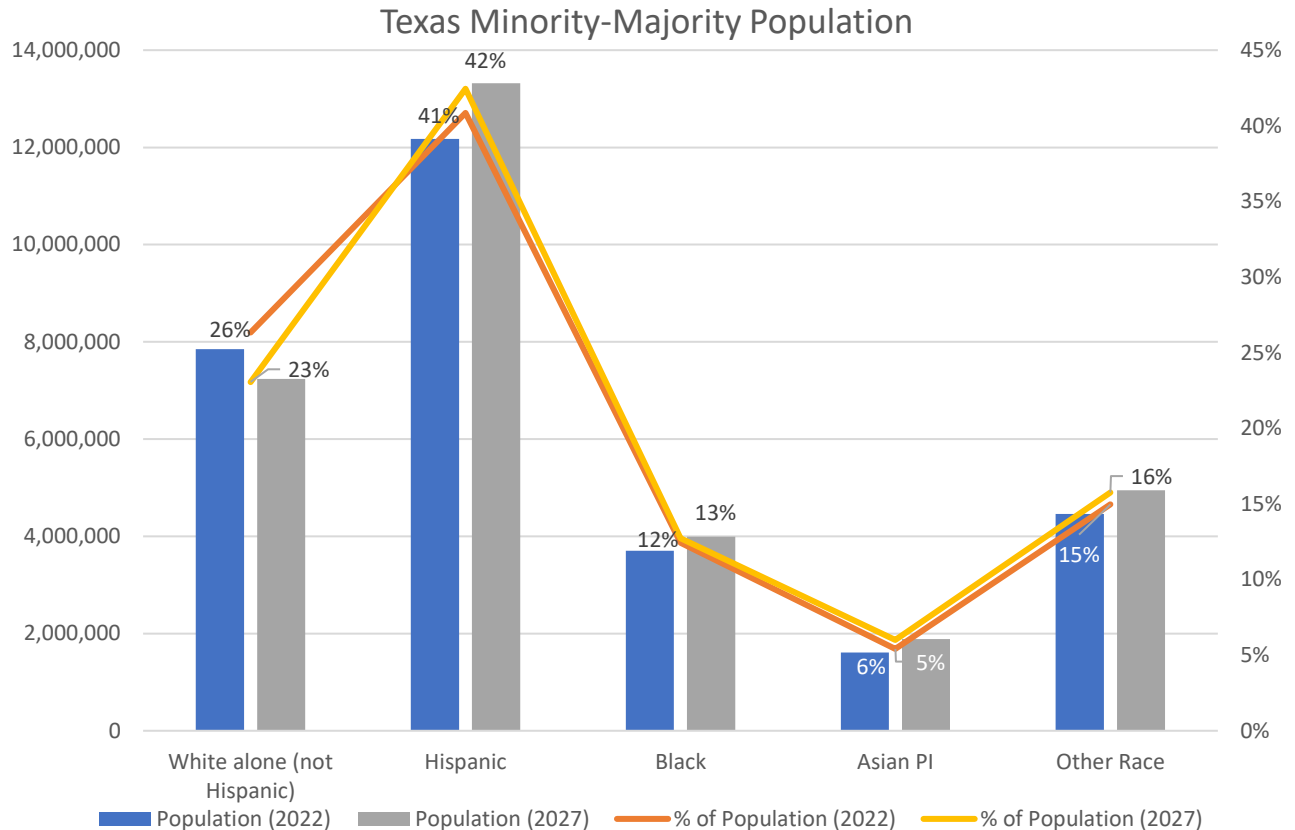


Sensis worked with the California Lottery, as their first multicultural digital agency for over 4 years. In addition, our Media Director and proposed Media lead for the Texas Lottery, Diana Sheehan, supported Hispanic media planning and buying for the California Lottery for over 5 years.

UNDERSTANDING TEXAS AS A MINORITY-MAJORITY STATE

The New Face of Texas - Over the last 22 years, Texas' population has grown 43%, with all that growth coming from Hispanics, African Americans, Asians, and other races. In fact, the non-Hispanic white population of the state has been decreasing and is projected to continue decreasing.

As of 2022, Hispanics already represent the largest percentage of Texas' population (41%). Looking ahead to the next 5 years, Texas' population is projected to grow by another 1.5 million (5%), with most of that growth coming from Hispanics, Asians, and other races.



Source: Claritas Geoscape GIS, 2022

Looking at the youth of Texas, we see even greater diversity on the horizon:

- One of every 10 persons under the age of 18 in the U.S. lives in Texas.
- Since 2010, Texas saw the highest rate of under-18 population growth among the six most populous states and the second highest in the nation.
- Of all the births in Texas over the last several years 47.4% were Hispanic, 33.8% were white, 13.0% were black, 0.2% were American Indian/Alaska Native and 5.6% were Asian/Pacific Islander.

Sensis – A CrossCultureAll Agency for Texas: As the largest multicultural advertising agency located in the heart of Texas, Sensis is intimately aware of and an expert in leveraging these demographic shifts. We have been working with diverse communities for over 24 years and have established ourselves as a thought-leader in the multicultural space.

At SensisTX, the moniker for our Austin-based Texas agency team, our motto is **“for Texas by Texans”**. We are proud of our focus on Texas, working in every single market across the state to help our clients make the “Texas connection”. We currently work with clients such as Capital Metro, Anthem Blue Cross, Texas Tech Rawls College of Business, AT&T Mobility, Circuit of the Americas, Iberdrola, the City of Austin, and the University of Texas at Austin.



Sensis has developed a proprietary and innovative approach to cultural marketing by understanding that cultures rarely exist in one box; rather, they tend to crossover and intersect with one another. We back up our approach with rigorous audience research including proprietary studies on Millennial, Gen Z, and Boomer audiences. Guided by such targeted insights, we produce media plans that are firmly cross-cultural, combining Hispanic, White, African American, and Asian market insights to develop advertising that reflects and embraces the cultural fusion of Texas – and indeed, the U.S. as a whole.



\kros\kelch-re\

adjective

: the ability for a brand to **cross-over** from one culture(s) to the next culture(s)

Once we have the strategic insights to better understand diverse audiences, we plan and buy media to align with these audiences on a personal level that not only aligns with them culturally but reaches them where they are, aligning with their media consumption habits and user journey that they inhabit on a daily basis.

We have vast experience using our proprietary approach to plan and buy media across an even larger breadth of audiences and languages (Farsi, Hindi, Arabic, Pashto, Chinese, Vietnamese, Tagalog). Working across so many cultural groups means we understand cultural uniqueness and are always on the lookout for unifying threads that connect diverse groups to each other.

ABILITY TO SPEAK TO ALL TEXANS 18+

SensisTX was formed in late 2014 when Sensis acquired a Texas advertising agency with an 18-year history of producing cross-cultural campaigns across the state. Our client experience includes the U.S. Army, FEMA, Capital Metro, the CDC, Anthem Blue Cross, Vantage Bank Texas, AT&T, Germania Insurance, Texas Tech University, UnidosUS, Chef Merito, Tadin Teas and the University of Texas at Austin.

As an agency focused on research, Sensis has utilized in-house proprietary research tools to gather information on various audiences to become thought leaders in targeting audiences of diverse backgrounds and ages. We are the only advertising agency with proprietary data on cross-cultural Millennials, Boomers, and Gen Z audiences, as a result of our Hispanic Millennial Project, Boomer Culture Report, and We Are Gen Z



research initiatives. Through our research, we have established a deep understanding



of audiences within the TLC target groups and have intel on buying power, media consumption, interests, behaviors, motivations, lifestyles, digital touchpoints, and more. We have used this insight to properly reach different generations across the nation and across Texas through projects such as:

- Anthem – Targeting Hispanic baby boomers and their millennial children across the state
- UnidosUS – Targeting diverse Millennials audiences through large Texas DMAs
- CDC – Targeting Millennials and Gen Z audiences across the nation and within core DMAs of Texas including Dallas, Houston, and Austin

Sensis offers TLC a unique capability that will allow them to properly understand their audiences on a deeper level and ensure advertisements are meeting them where they will be most engaged and where they spend the majority of their time.

Sensis has provided services similar in scope within the State of Texas for a variety of clients and will utilize the approach below to ensure all Texans 18-49 are properly reached through our placements.

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 description of comparable engagements shall be detailed and cover the contracts the Proposer and any subcontractors have had and all experience similar to this Contract which qualifies the Proposer to meet the requirements of this Contract, including but not limited to:

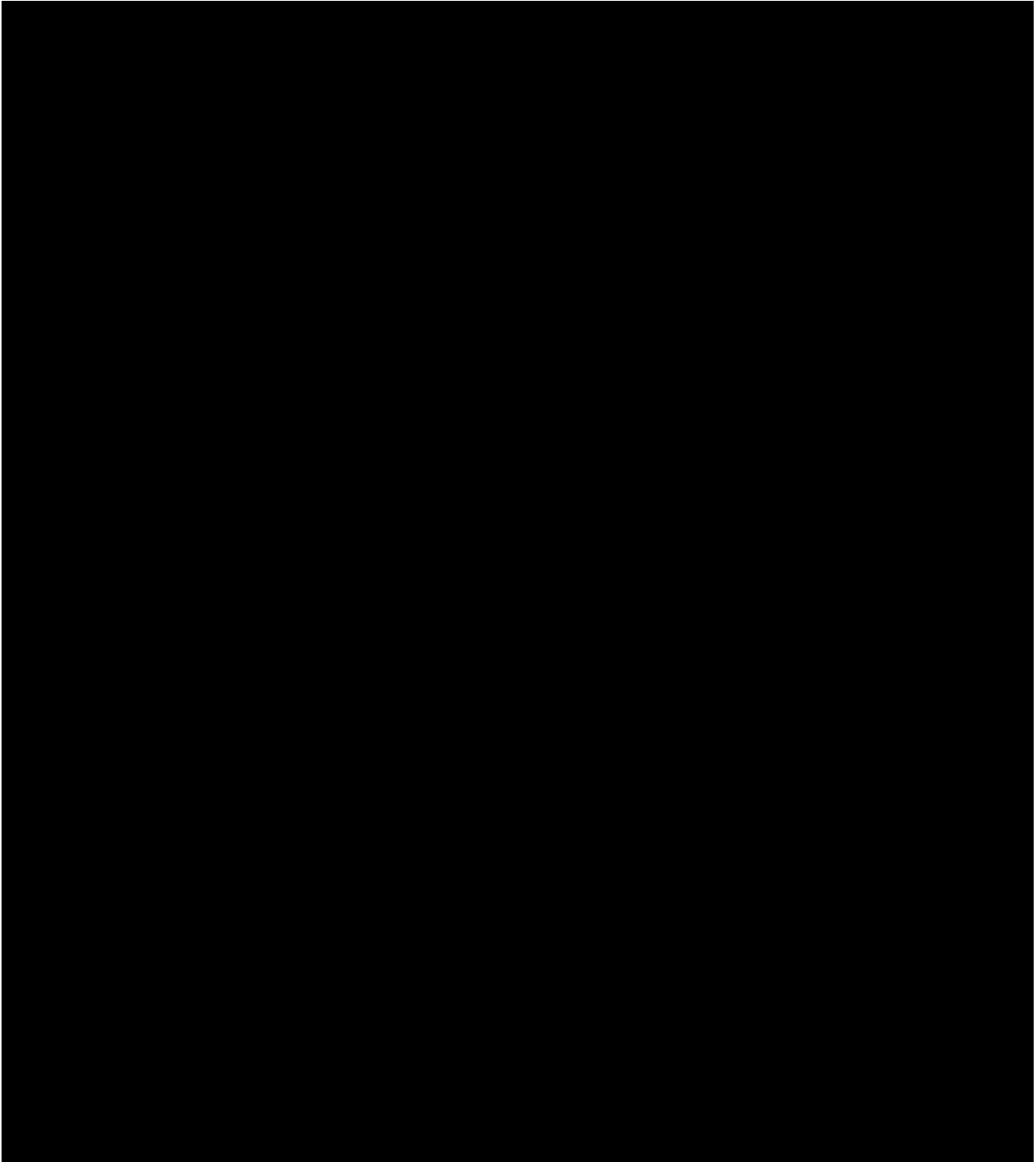
- a. Size of contract (including value).
- b. Reason for contract termination/expiration, if contract is no longer in effect.
- c. Types of services directly provided by the Proposer and whether the Proposer was the contractor or subcontractor.
- d. Term and type of contract, including effective dates.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

We have read, understand, and will comply. Please find our response on the next page.



Section 4.1.2 - Comparable Experience

CURRENT CONTRACTS OF COMPARABLE COMPLEXITY AND SENSITIVITY TO THE REQUIREMENTS OF THIS RFP





TEXAS
LOTTERY®

Confidentiality Claimed
§552.104/552.110

Part 4 – Required Information

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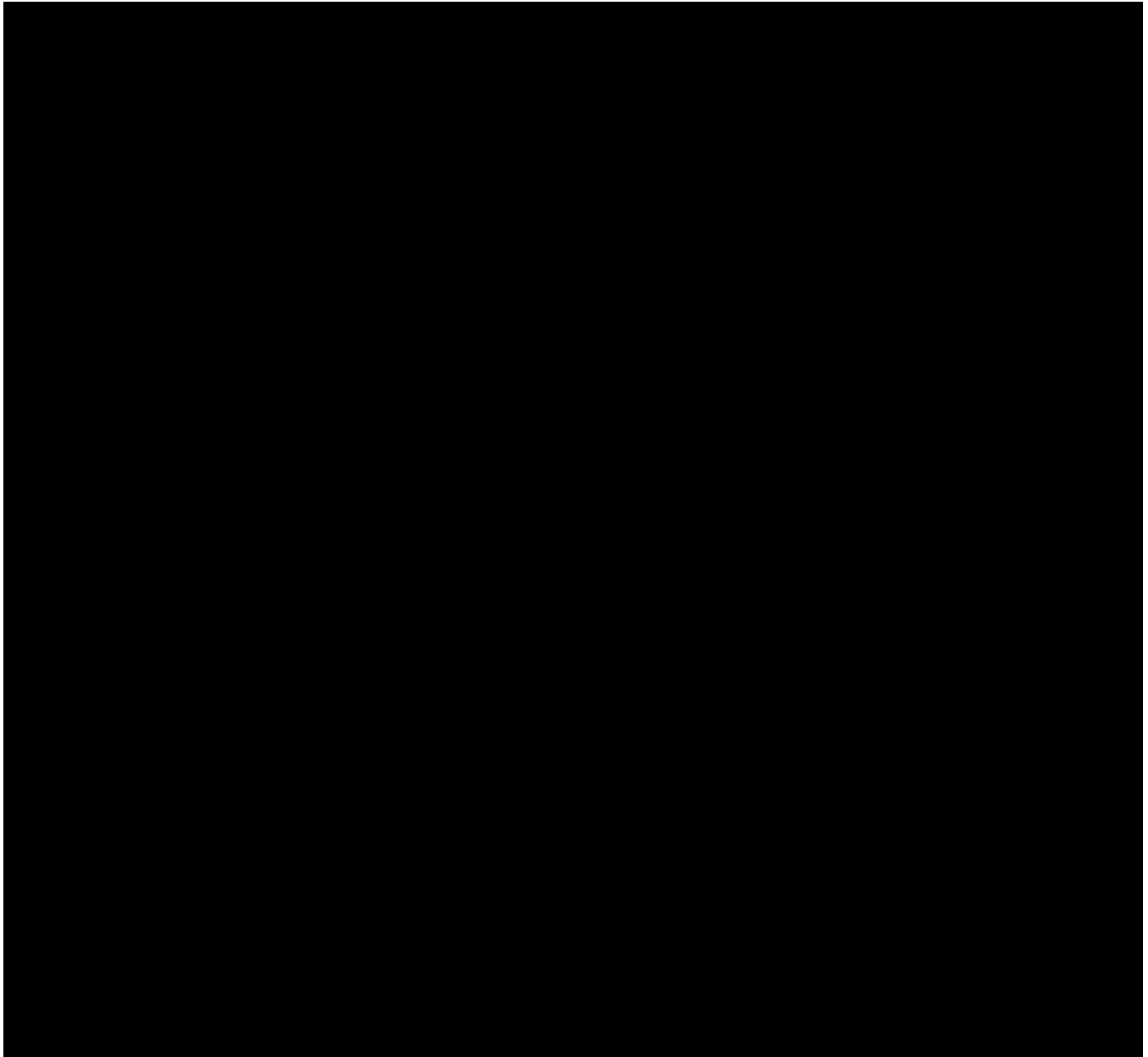
Confidentiality Claimed
§552.104/552.110

Part 4 – Required Information

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COMPARABLE EXPERIENCE – CLIENT CASE EXAMPLES



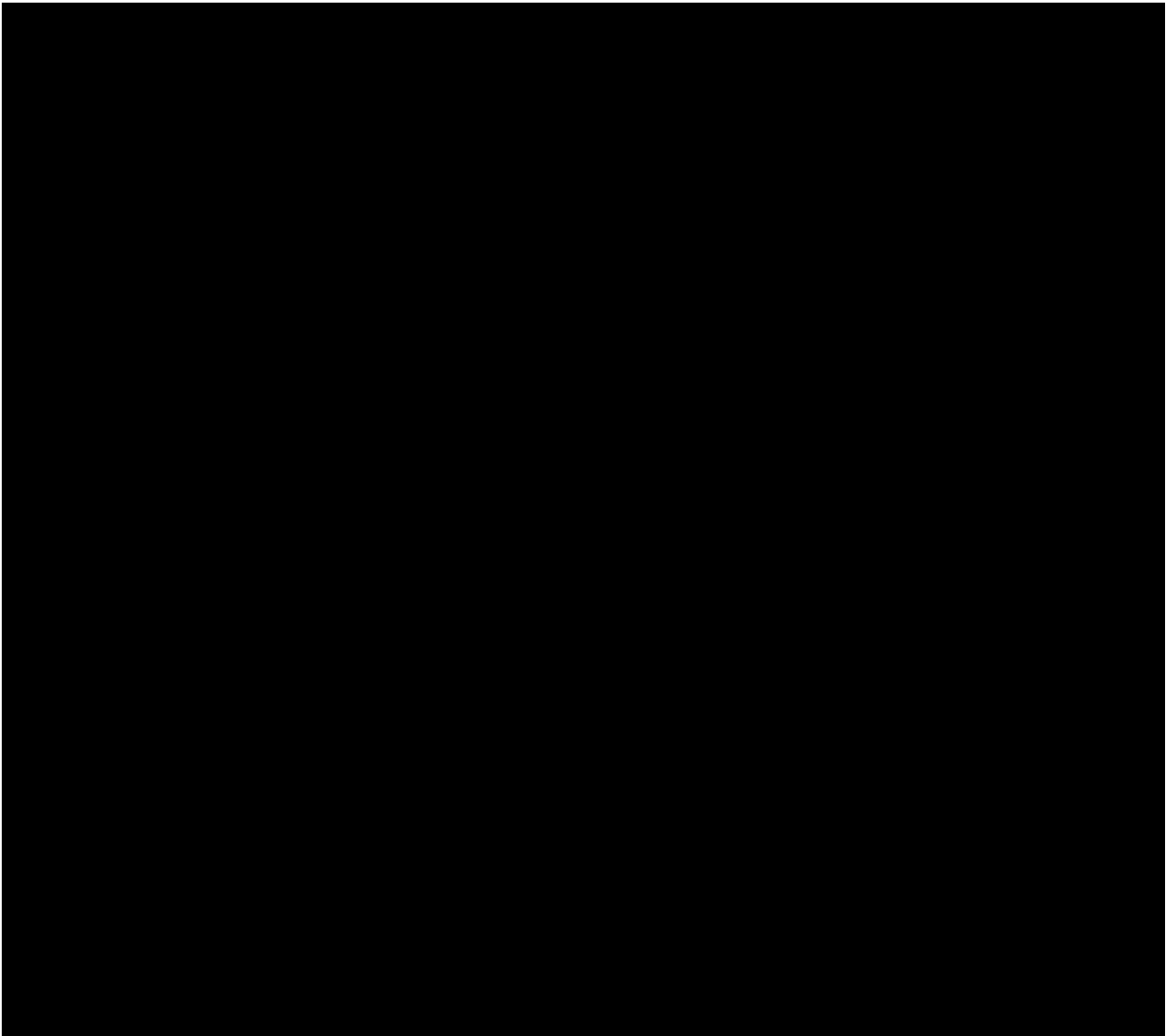


Confidentiality Claimed
§552.104/552.110

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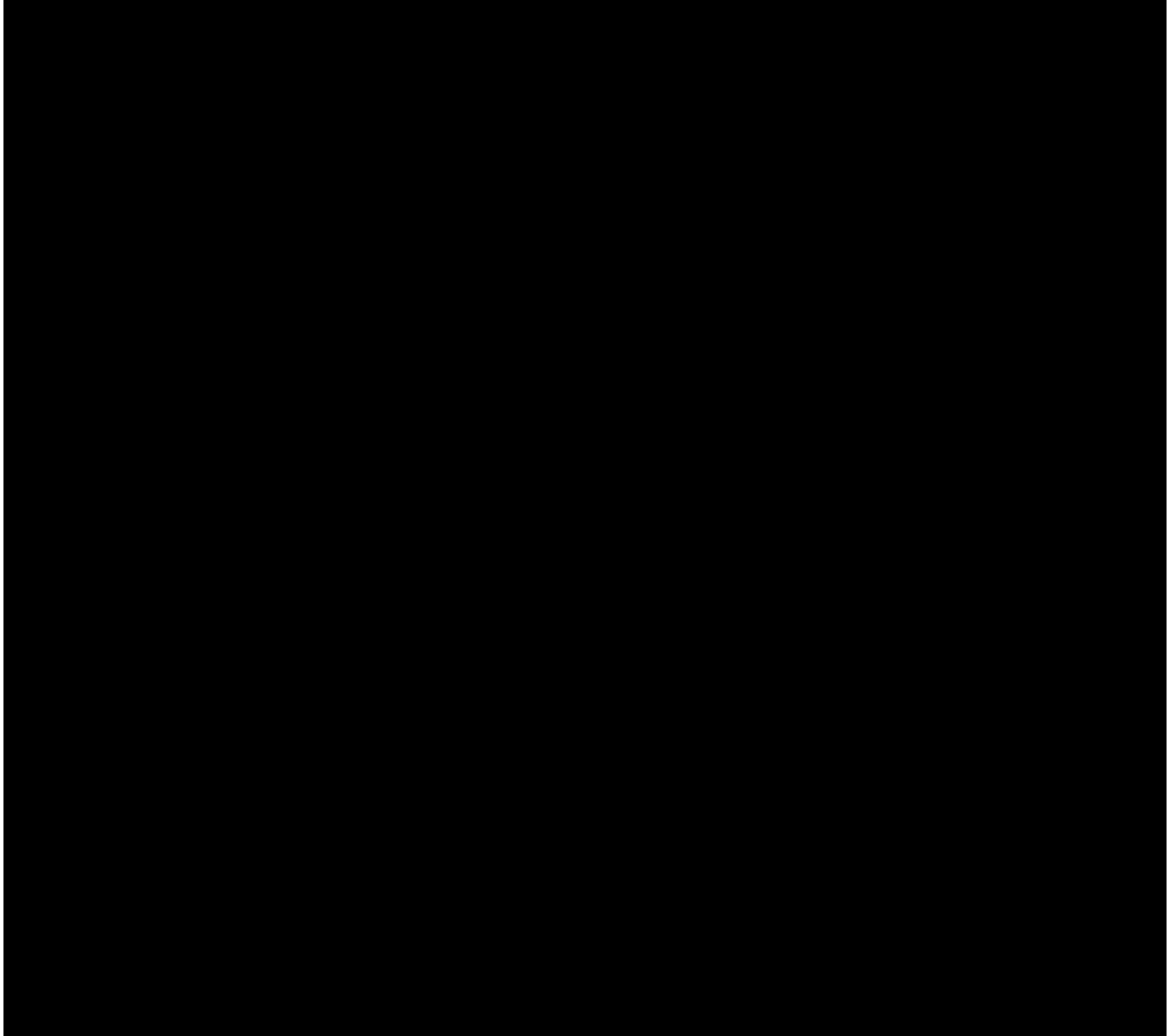


Confidentiality Claimed
§552.104/552.110

Part 4 – Required Information

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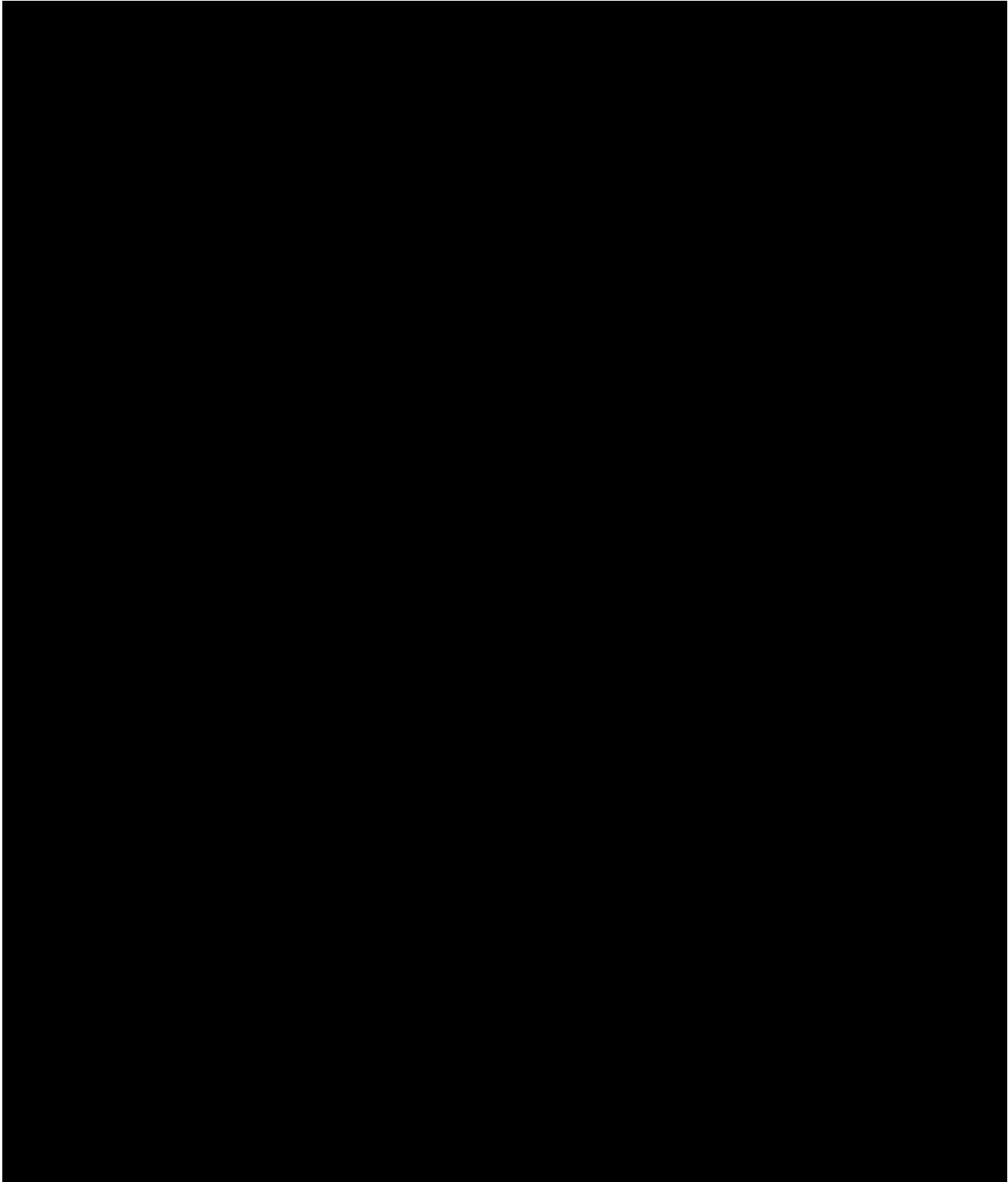


Confidentiality Claimed
§552.104/552.110

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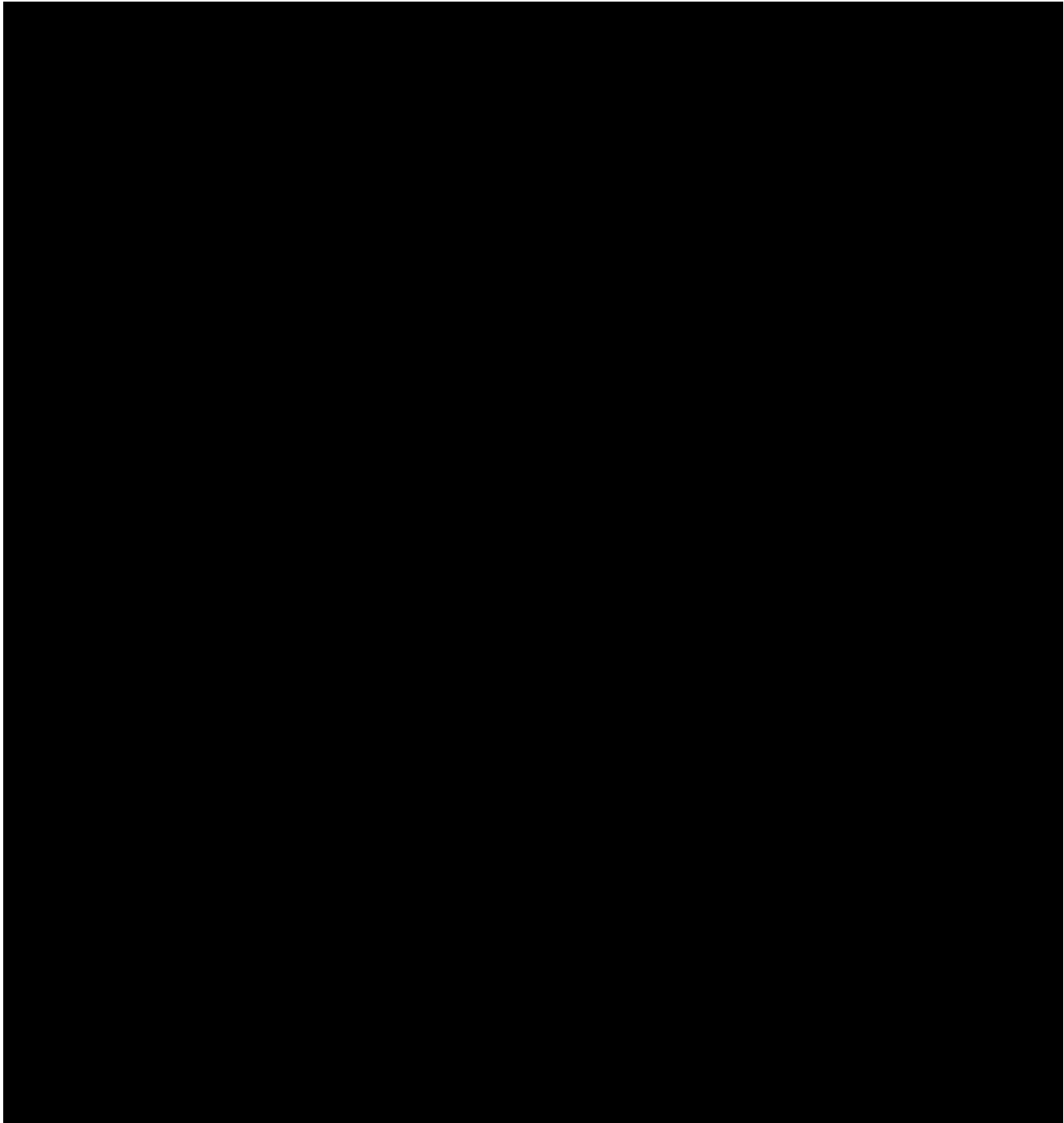


Confidentiality Claimed
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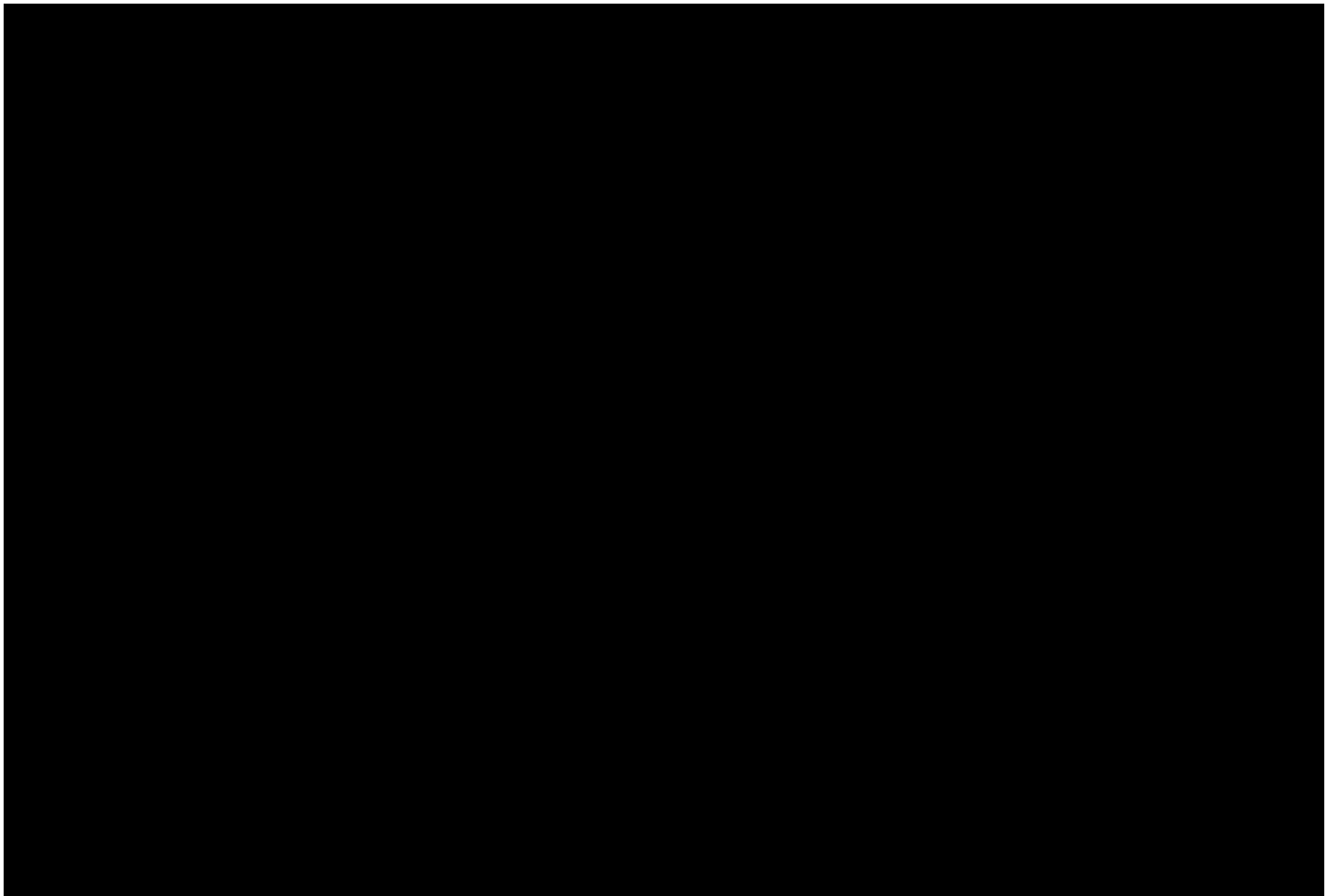


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4.1.3 The Proposer shall state whether or not any of the following have occurred during the last five (5) years:

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



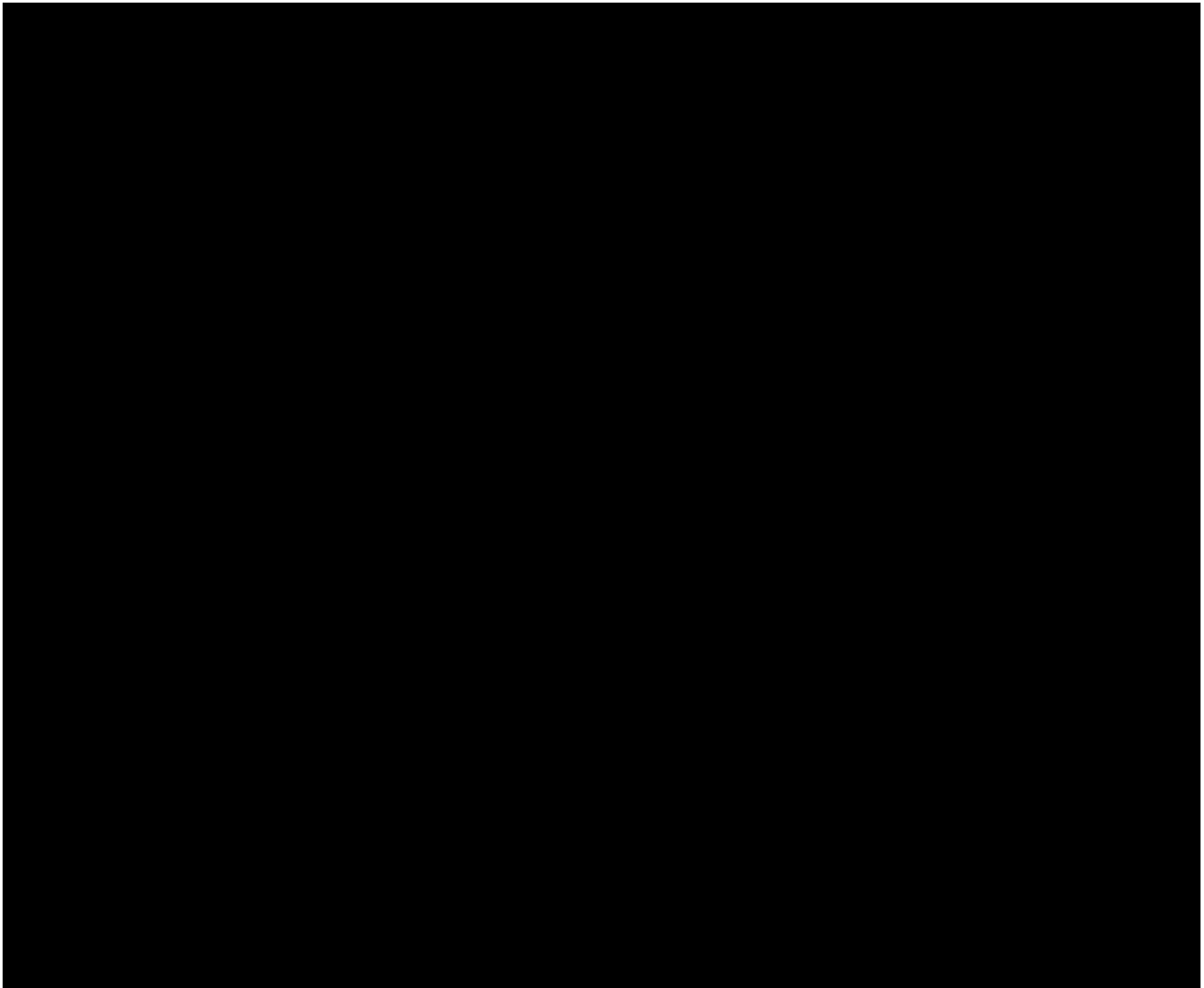


Sensis has not been involved in any litigation related to contract performance.

4.2. Proposer References

A minimum of seven (7) verifiable references must be provided that include the contact person, name of company, phone, e-mail address and descriptions of services provided. Proposers' references shall include references for which the Proposer has provided similar services as described in Parts 7 and 8 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.

We have read, understand, and will comply. See our list of 7 references below.



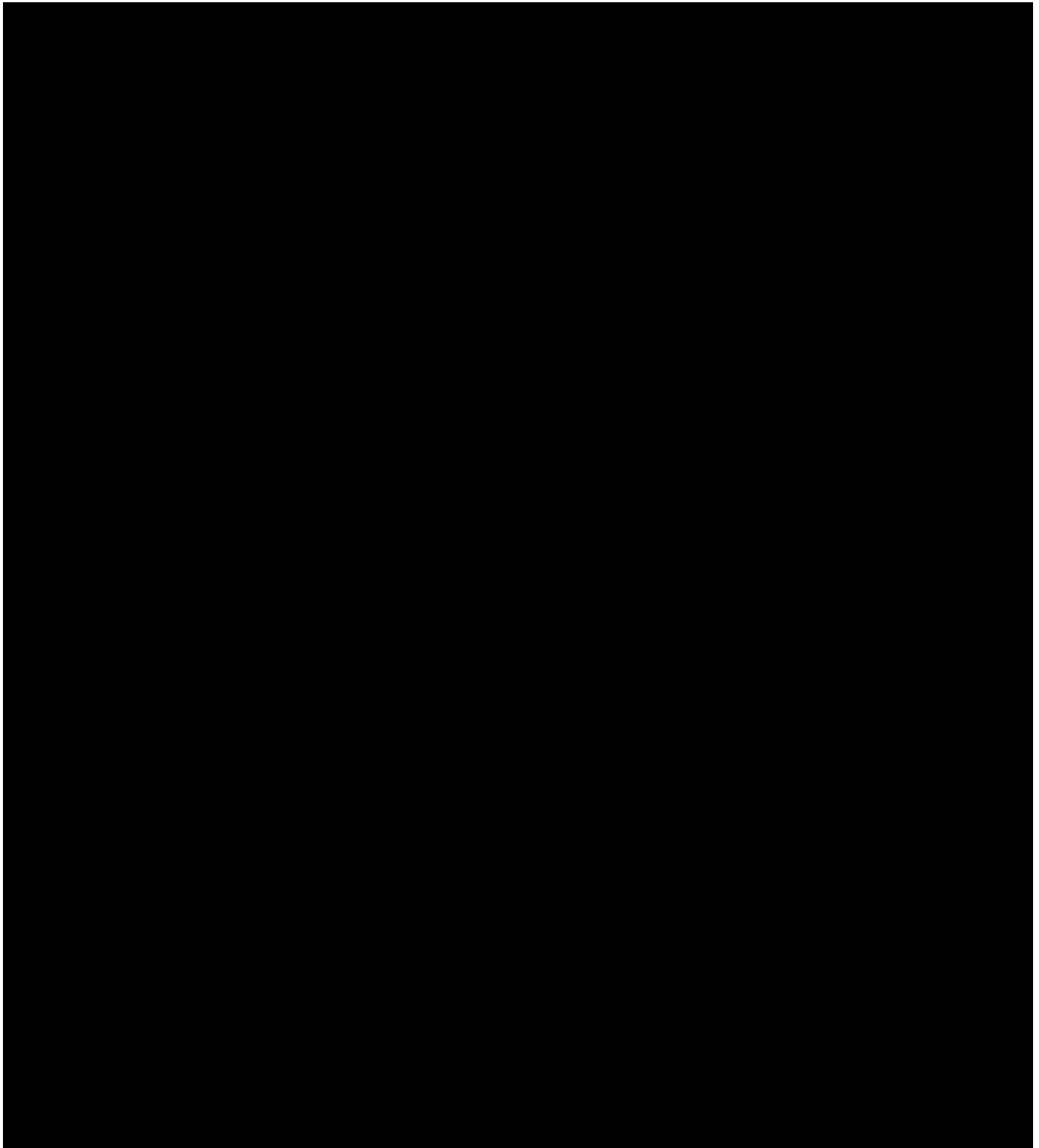


Confidentiality Claimed
§552.104/552.110

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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.

We have read, understand, and will comply.

Karla Fernandez-Parker
Managing Director
Sensis, Inc.
5540 N Lamar Blvd
Austin, TX 78756
(210) 389-3344
kfernandez@sensisagency.com

- 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.

We have read, understand, and will comply.

Jose R. Villa
President
Sensis, Inc.
5540 N Lamar Blvd
Austin, TX 78756
(512) 358-1756
jrvilla@sensisagency.com

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:



[https://www.texaslottery.com/export/sites/lottery/About_Us/Doing_Business_with_TLC/Contracts_Over_\\$100x000/](https://www.texaslottery.com/export/sites/lottery/About_Us/Doing_Business_with_TLC/Contracts_Over_$100x000/)

Failure to promptly disclose any such relationship may be a cause for disqualification of a Proposal.

We have read, understand, and will comply. Sensis does not have any conflicts of interest to disclose. We do not have any personal or business relationships of any kind that would pose a conflict of interest and impact our abilities to successfully implement this TLC, Advertising Media Services contract.

- 4.4.2 This is a continuing disclosure requirement. The Successful 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, both prior to Contract Award and 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, sanctioning the Successful Proposer, or exercising any other appropriate remedy under the Contract.

We have read, understand, and will comply.

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.

We have read, understand, and will comply.

- 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.

We have read, understand, and will comply.

- 4.5.3 If the information in Section 4.5.2 is not available at the time of submission, the Proposer shall provide other proof of financial responsibility acceptable to the Texas Lottery prior to the deadline for submission of Proposals.



We have read, understand, and will comply.

Sensis has provided the following information sufficient to highlight our financial stability, credit line, and ability to successfully fund the resources needed for this project as Attachment 1. This information was also provided in the USB drive as file SensisFinancialStability.pdf - the password to access the file is: Sensis1651\$

- I. 2021 Company Reviewed Financial Statements
- II. 2020 Company Reviewed Financial Statements
- III. Line of Credit (Statement of limit / available balance)
- IV. Bank Statements (July 2021 – January 2022) / Average Bank Balance

- 4.5.4 The Texas Lottery reserves the right to require any additional information necessary to determine the financial responsibility and stability of the Proposer.

We have read, understand, and will comply.

- 4.5.5 The Proposal must include a certification that the Proposer will notify the Texas Lottery of a change in financial condition during the Contract term and any renewal thereof. If a Proposer experiences a substantial change in its financial condition prior to the award of the Contract, or if the Successful Proposer experiences a substantial change in its financial condition during the term of the Contract or any extension thereof, the Texas Lottery must be notified of the change in writing at the time the change occurs or is identified. Failure to notify the Texas Lottery of such substantial change in financial condition will be sufficient grounds for rejecting the Proposal or terminating the Contract. For the purposes of this section, examples of a substantial change in financial condition are events such as insolvency, bankruptcy, or receivership.

We have read, understand, and will comply. We will notify the Texas Lottery of any change in our financial condition should one arise.

4.6. Background Investigations

- 4.6.1 **Vendor Background Investigation.** Under Tex. Gov't Code §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 Tex. Gov't Code §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 §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.

- 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.

- 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 (1) 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.

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.



4.7. Disclosure of Interested Parties

Tex. Gov't Code §2252.908 states that 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/rules/commission/ch46.php>). 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.



5. PART 5 – HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PARTICIPATION

5.1. HUB 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.

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 CPA. 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.

We have read, understand, and will comply. Sensis has included one (1) original and two (2) copies of our HSP in a separate envelope in our proposal package.

- 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 CPA'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. We have submitted all documents presented within Section 5.2.1 within Attachment C of this document.

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.com/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.

- 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 CPA and a HUBSubcontracting 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.

- 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 due to gathering restrictions may be conducted via Zoom, TEAMS or telephone conference. Proposers are responsible for contacting the Texas Lottery to schedule a workshop during the specified time period. Proposers may schedule a workshop up until the final date listed in the Schedule of Events.
- 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 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.

We have submitted all required documents presented in Section 5.3.2. within a separate envelope in our proposal package.

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 24.30%.

We have read, understand, and will comply.

- 5.4.2 Requirements of the HUB subcontracting plan. Each Proposer shall complete the HSP forms prescribed by the CPA (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 §2161.252 (b).

We have read, understand, and will comply.

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.



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.

5.5. Subcontracting Opportunities

- 5.5.1 The Texas Lottery has determined there are no subcontracting opportunities for broadcast, newspaper, digital, social, out-of-home media, and sponsorship activations vendors. For example, if you are the primary (only) advertising media planning and buying agency to provide buying and stewardship, with a media vendor such as TV stations or Instagram this is not considered a subcontracting opportunity. However, if you are using more than one (1) advertising media planning and buying agency to provide services under this RFP, this is considered subcontracting. Another example is buying out-of-home media, including production of any billboard vinyl from the media vendor is not considered subcontracting. However, if using a non-media vendor to produce the vinyl separately, this is considered subcontracting.
- 5.5.2 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.

CLASS 559: MASS TRANSPORTATION, RAIL VEHICLE PARTS AND ACCESSORIES

Item Numbers and Commodity Descriptions:

559-70 Signage: Destination, Routing and Advertising

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.
- 915-10 Advertising, Digital
- 915-59 Mail Services, Express
- 915-71 Newspaper and Publication Advertising, Non-legal

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 (NOT OTHERWISE CLASSIFIED)

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:

- 961-49 Legal Services, Attorneys
- 961-66 Sign Making and Painting Services

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

Item Numbers and Commodity Descriptions:

- 962-24 Courier/Delivery Services, Including Air Courier Services)
- 962-86 Transportation of Goods, Shipping and Handling, and Other Freight Services



CLASS 971: REAL PROPERTY RENTAL OR LEASE

Item Numbers and Commodity Descriptions:

971-70 Storage Space Rental or Lease

We have read, understand, and will comply.

- 5.5.3 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.

- 5.5.4 A list of HUB vendors registered with the 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 an 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.

- 5.5.5 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.

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 HUB Coordinator 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.

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.

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.



6 PART 6 – 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.

We have read, understand, and will comply.

Sensis was born 23 years ago out of a need to address multicultural audiences in the digital space. Over 70% of our 150+ employees are minorities—the majority of which are women—making Sensis the most diverse independent marketing agency in the U.S.

As a cross-cultural advertising agency, Sensis' marketing professionals have extensive experience communicating with hard-to-reach and diverse audiences across the nation and throughout Texas. Our strategic core allows us to first analyze our environment to understand the diverse makeup of the target audience. We then conduct research that allows us to better understand this audience on a deeper level including insight such as media consumption, behaviors, knowledge, and perceptions. This information is then leveraged by our media team to develop a media strategy that will include recommendations based on media consumption, cadence, and user behaviors to ensure proper reach of each segment within our target audience.

As of October 2022, Sensis is the largest independent minority-owned advertising agency in the U.S. offering integrated marketing capabilities to effectively reach and communicate with all audiences.

Here at Sensis, we understand that in a diverse environment such as the state of Texas with a majority-minority status, it is vital to segment and analyze where these audiences overlap and how properly reach them where they are. Our seasoned media and strategy team work collaboratively to do just that through their knowledge of the market, offering over 25 years of Texas media and planning buying experience, and their expertise in hard-to-reach audiences by successfully placing over \$25M in media campaigns focused on hard-to-reach audiences across the state of Texas and the nation.

Our proposed team offers a breadth of experience in paid media and strategic planning. Our team has worked on a variety of projects that involved diverse and hard-to-reach audiences across Texas. Below are a few examples of work that our proposed media and strategy departments have successfully planned, managed, and implemented for various clients:



Anthem, Hispanic Agency of Record: Through our involvement with Anthem, our Texas media team worked closely with the client to target Hispanic communities in several Texas markets including San Antonio, Houston, El Paso, and Tucson. We utilized a diverse media mix to properly reach this audience which included television, digital, paid search, social, out-of-home, and direct mail.



United States Department of Agriculture: The Animal and Plant Health Inspection Service (APHIS) The Animal and Plant Health Inspection Service (APHIS) is responsible for protecting U.S. agriculture from invasive pests and diseases. Sensis was hired to create an innovative multi-lingual marketing campaign targeted to travelers on the Texas border, San Francisco, CA, San Diego, CA and Kauai, HI to increase knowledge of and reduction in the attempt to bring in prohibited food and plant items into the U.S. This included the targeting of English, Spanish, Chinese, and Mandarin-speaking audiences through video, radio, paid search, print, and television placements in airports, in-cultural mediums such as Telemundo, and top Radio stations for the target audience.



United States Citizenship and Immigration Office: Sensis was the prime contractor for the U.S. Department of Homeland Security, Office of Citizenship to develop a national public awareness campaign and Web resources to educate legal permanent residents (LPRs) about citizenship and naturalization processes. Through this engagement, Sensis was responsible for media planning and buying for English, Spanish, Mandarin, Chinese, and Vietnamese-speaking audiences. We utilized heavy research to guide our media planning and buying and implemented a mix that included radio, print, digital, television, and out-of-home. The diversity of the target audience was large; however, Sensis utilized a forward-thinking media strategy to successfully reach and engage these segments, in turn funneling them to learn additional information on the Office of Citizenship's Services.



Centers for Disease Control and Prevention, Covid-19 Travel and Vaccine Campaign: CDC's Traveler's Health Division was focusing on domestic and international travel as the COVID-19 pandemic persisted throughout the past two years. They uncovered that many African Americans and General Population audiences within the Gen Z and Millennial generation were traveling unvaccinated more than any other group. This posed a threat to the spread of covid-19, particularly surrounding holiday travel for Christmas, Thanksgiving, New Years, and spring break. CDC partnered with Sensis to effectively reach this audience to educate them on the benefits of the COVID-19 vaccines and how they can prevent the spread of the virus. To do so, Sensis tackled a \$9M media budget to plan and place media in large DMAs including Houston and Dallas, Texas in the form of digital, gas station tv, and radio.



UnidosUS, Covid-19 Awareness Campaign: Sensis developed an advertising campaign to increase reach among Hispanics in the key markets of Miami/Dade County, Dallas/Ft. Worth, El Paso/Las Cruces, Fresno/Visalia, Houston and Phoenix. Our media team was responsible for placing media for Out-of-Home, Digital, and Paid Social in both English and Spanish, revolving around the creative message of "Esperanza – Hope for All". Media tactics include non-traditional OOH (Lunch trucks and store fronts); Digital banner ads; paid social and paid search.



Team Resumes

DIANA SHEEHAN – MEDIA DIRECTOR



As Sensis' Media Director, Diana provides primary media planning and buying services across all Sensis offices, including Austin, Los Angeles, Atlanta, and Washington D.C. She has over 20 years of experience spanning both general and Hispanic audiences and has worked with top marketers across a diverse array of industries including QSR, CPG, Government, Healthcare, Travel, and Automotive in both conversion-based and awareness building communications planning. Her specialty lies in conversion-based and awareness-based communications planning.

Diana excels media tracking and reporting tools including Nielsen, ComScore, Kantar, MediaOcean, and MRI-Simmons. Her responsibilities include conducting presentations for new business clients and directing staff and junior employees for their media duties. She also interacts with clients and project managers to ensure client satisfaction on both print and media buys. She has 15 years of experience performing these duties as a Media Director.

RELEVANT PROJECT EXPERIENCE

Media Director | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. As the Media Director for this ongoing campaign, Diana oversees and manages all media placements.

Media Director | Centers for Disease Control and Prevention

Sensis was selected by the Centers for Disease Control and Prevention (CDC) to raise awareness regarding travel safety during the COVID-19 pandemic to encourage travelers to get vaccinated. Diana is the Media Director for this project and oversees all media buys and placements. She also manages the media budget, which is \$4.1 million for this campaign.

Media Director | NextDecade

Sensis was selected by Rio Grande LNG and Rio Bravo pipeline to perform community outreach, PR and branding to help them build public support during the FERC process, particularly in the Rio Grande Valley and the pipeline route in South Texas. For this ongoing project, Diana serves as the Media Director and oversee all media planning, purchases and placements. Media for this campaign consisted of media decks, digital banner ads, newspaper ads, multi-fold brochures, flyers, press releases.



PAST WORK EXPERIENCE

Media Director | Casanova // McCann | Los Angeles, CA 2007 – 2019

Led media team of seven in development and implementation of integrated media strategy and communications planning for local, regional and national efforts. Constructed plans that deliver on brand awareness and conversion across an array of KPIs. Managed media budgets up to \$23MM, inclusive of Display, OLV, Paid Social, Television, Radio, OOH, Cinema and Print.

Media Supervisor | Foote, Cone, & Belding | Irvine, CA 2003 – 2007

Collaborated with Media Director to establish overall strategic direction of media plans and led media planning team comprised of three Planners and three Assistant Planners. Directly responsible for implementing Digital, OOH and Print buys.

EDUCATION

University of California, Los Angeles | Los Angeles, CA

B.A., Mass Communication / Media Studies



KARLA FERNANDEZ – MANAGING DIRECTOR / ACCOUNT DIRECTOR



Karla Fernandez Parker is a bilingual/bicultural marketing expert who brings brands to life in Texas by creating culturally relevant brand engagement with consumers where they live, work, pray and play. She is an innovator with demonstrated ability to deliver differentiated brand strategies and mission-critical results utilizing traditional and on-line/social mediums as well as non-traditional grass-roots solutions. Karla brings strong services advertising experience both across Texas and across the country, having previously run her own advertising agency for 18 years before joining the Sensis team. Her strengths are in delivering insight-based strategic plans and implementing them

across all media platforms.

RELEVANT PROJECT EXPERIENCE

Managing Director | UnidosUS

Sensis was hired by UnidosUS to roll out a multi-market and multi-state awareness campaign to promote accurate information to vulnerable communities regarding the Covid-19 vaccines and its efficacy in protecting themselves and their families. Sensis developed a grass-roots mobile tour which included activation teams, a wrapped mobile vehicles, branded booth, and outreach materials supported by localized, targeted digital and social media. We partnered with local retailers such as Walmart and Walgreen's and efforts were conducted in both English and Spanish. Several Texas markets were included in the campaign.

Managing Director | UT Extended Campus

Sensis was selected by the University of Texas Systems Extended Campus to provide strategy and develop content to promote new courses and certifications at the UT System doubles down on non-traditional learning with an expanded website. Sensis is responsible for messaging, media planning and buying, earned media and video content creation. For this campaign, Karla provides high-level oversight, strategic development, and insights on the Texas market. She works closely with all Sensis internal teams, such as strategy, and the client to ensure satisfaction.

PAST EXPERIENCE

Managing Director | Sensis | Austin, TX

2015 – Present

Provides crucial senior leadership to the Austin office of Sensis to ensure project deliverables are satisfactorily achieved. Karla works closely with leadership across all four offices of Sensis to develop research-driven marketing strategies and consumer insights that guide the overall direction of the agency. Notable Texas-based clients include CapMetro, the University of Texas System, Texas Tech Rawl's College of Business, Chispa, and the City of Austin. Other clients served by the office are UnidosUS, AT&T and Anthem.

President| K. Fernandez Marketing | San Antonio, TX

1996 – 2014

Led the development of strategic marketing programs and insights that generated market growth and brand ROI, throughout the top 30 U.S. markets, border region, and emerging markets for clients in financial services/insurance, healthcare, retail, restaurant/packaged goods, cause



marketing and utilities. Delivered in-culture brand engagement with "best in class" results for digital/mobile and social media campaigns. Led and managed an extended network of 12 experts throughout the U.S. and an extensive supplier network across all advertising categories from production to digital/social media to direct marketing. Notable clients included Coastal Marts Convenience Stores, Melrose Family Fashions, Buffalo Wings & Rings, Wells Fargo, McCormick & Company, Jack Daniel's, Rio Grande LNG, First Data, and Imperial Sugar.

Sr. Account Supervisor | Bromley Communications

1992 – 1996

Led and managed over \$7 million in agency billings for several key national accounts. Provided strategic leadership and advertising planning for Procter & Gamble Co.'s Sunny Delight, M&M/Mars, Clairol, Blockbuster Video, American Airlines and Bank of America.

Public Relations Executive | Ruder-Finn Public Relations

1990 – 1992

Served in the investor relations group, leading projects to create public relations and corporate communications for key accounts.

EDUCATION

The University of Texas at Austin | Austin, TX

1987 – 1990

B.S. Summa Cum Laude, Advertising, Communications, and Spanish



SHELLY WRIGHT – ASSOCIATE MEDIA DIRECTOR



As Sensis' Associate Media Director with over 25 years of experience, Shelly's work includes developing media plans, executing media purchases, and assembling analytical reports for clients across the nation. Handling over \$25 million dollars in media spends annually, Shelly is adept at recognizing the changing needs of her clients and rolling with those changes with grace. Her creativity, know-how, instincts and relationships enable her to provide incredible plans that meet client budgets needs while still delivering incredible ROI results. Shelly is experienced in media tracking and reporting tools including Nielsen, ComScore, Kantar, and MRI-Simmons. Prior to joining Sensis, Shelly worked with multiple Texas-based agencies, such as Sherry Matthews and EnviroMedia, where she oversaw media buys and placements for state-wide Texas campaigns. At Sensis, Shelly's responsibilities include providing primary media planning and buying services across all Sensis offices in Austin, Los Angeles, Atlanta, and Washington D.C. She conducts presentations for new clients, develops comprehensive analytical reports to further optimization, and ensures client satisfaction. Shelly has 25 years of experience in Advertising Media Planning and Buying.

RELEVANT PROJECT EXPERIENCE

Media Buyer | EnviroMedia | Texas Department of Transportation

EnviroMedia was selected by the Texas Department of Transportation to support the Don't Mess with Texas campaign, which informs Texans of the true cost of littering. To support this campaign, Shelly oversaw all media buys and placements. She oversaw the media team and worked collaboratively to understand the target media placements. Shelly maintained communication with the client throughout the process to keep them updated on all progress.

Media Buyer | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. Shelly is the lead media planner and buyer. She works closely with the media team to develop media strategy and oversees all media buys and placements.

Media Buyer | Anthem Healthcare

Sensis was selected by Anthem Healthcare to be their Hispanic Agency of Record to increase Anthem awareness and generate sales among the Spanish-speaking population. As lead media buyer, Shelly is responsible for developing media strategy, supporting media development, and overseeing media buys and placements.

PAST WORK EXPERIENCE

Media Director | Redroc Austin | Austin, TX

2015 – 2021

Responsible for \$2.47m media budget to promote regional window replacement company. Also provide planning, training, buying assistance as needed for agency's client roster including restaurants, minor league baseball, liquor stores, event show management company, toll road tag alternative, national lawn tractor company and clinical drug study program.



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Media Buyer | Tuerff-Davis EnviroMedia, Inc | Austin, TX 2003– 2012

Served as media buyer/manager for agency's roster of Texas public education and service government clients include the Texas Dept of Transportation, Texas Dept of State Health Services, Texas Dept of Agriculture and more. Highlights include award winning Medicare Part D launch campaign, a 325% ROI for a donor registry campaign, multiple water conservation campaign in large and small Texas markets and Tobacco cessation campaign to reach Texas youth.

EDUCATION

The University of Texas at Austin | Austin, TX 1989 – 1995

B.S., Elementary Education



DANIELA LOPEZ — ACCOUNT SUPERVISOR



As a dedicated and invaluable Account Supervisor, Daniela is a proactive bilingual marketing professional with over 10 years of experience in designing event-based marketing campaigns. Daniela's duties involve overseeing most Texas-based accounts including UnidosUS, Anthem Healthcare, and Stand Up to Cancer. She has significant experience working in fast-paced environments implementing B2B marketing strategies tailored specifically to meet client needs. Daniela identifies herself as passionate in identifying strategic marketing trends, and detail-oriented with the ability to effectively manage and prioritize heavy workloads.

RELEVANT PROJECT EXPERIENCE

Account Manager | Capital Metro

Sensis was selected by Capital Metro to develop a two-month social media campaign to increase awareness of the different job openings within the organization. To support this work, Daniela acted as the Lead Account Supervisor. To fulfill her role, she worked closely with the client as well as the Sensis internal team to communicate campaign updates, goals, and strategy. She managed all deadlines and deliverables to ensure client satisfaction.

Account Manager | Excelsior College

Excelsior College asked for Sensis support to help launch ¡Adelante!, a new academic program designed to help Hispanic students achieve their degree and educational dreams in the U.S. Sensis developed culturally relevant and bilingual creative. In addition, the UX team developed a landing page where potential students could learn more about the program's curriculum and ensure that the application process was user friendly. Daniela oversaw account planning and deliverables, coordinating bi-weekly status meetings and prep. She facilitated all team and client correspondence, managing and communicating account updates and follow ups with clients.

Account Manager | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. Daniela oversaw day-to-day workflow, managing event production and influencer support while also providing social media and marketing strategy development.

PAST WORK EXPERIENCE

Account Supervisor | Sensis | Austin, TX

2021 – Present

Leads development and execution of marketing campaigns, liaising with both the agency- and client-sides of the business to deliver exceptional results. Provides account management for Texas-based campaigns in both English and Spanish.

Sr. Account Executive | KBGTexas Communications | San Antonio, TX

2016 – 2019

Deliver innovative marketing solutions to clients including Carl's Jr., Texas Disposal Systems, Taco Cabana, VIA Metropolitan Transit, Medical Center Alliance, Older Adults



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Technology Services, and Papa John's. Provide support across a range of functions like account management, social, digital, and earned/traditional media (TV, radio, and print).

Account Manager | Mercury Mambo | Austin, TX

2014 – 2017

Organized and led experiential, social and marketing campaigns targeting U.S. Hispanics for clients including REI, MiTú, Teasdale, and Dell. Developed strategy and managed social media campaigns along with their marketing analysis reports to ensure goals and objectives were being met.

EDUCATION

Texas State University – San Marcos | San Marcos, Texas

2010 – 2012

B.A., Journalism & Mass Communications, Advertising



RICK RINKER – DIGITAL MEDIA DIRECTOR



As Digital Media Manager, Rick provides digital media, analytics and analysis leadership throughout the agency, and provides digital media planning and buying services for clients such as Capital Metro, UAGM, and CSU Dominguez Hills. Rick is a 20-year veteran of Advertising Agencies, Digital Media and Technology with a consistent record of bringing quantifiable change to client campaigns. He has consulted for numerous organizations including Nike, Nestle, MGM, and the Department of Defense. Rick's responsibilities at Sensis includes working directly with clients during

kickoff, regular status and wrap-up phase of campaigns. He works with the Account Services and Strategy teams to lead media plan development for clients. He manages the Media department, which has over \$12 million in digital and traditional media billings. He has 14 years of digital media planning and strategy experience.

RELEVANT PROJECT EXPERIENCE

Digital Media Director | Iberdrola Energy

Sensis was hired by Iberdrola Texas, part of the Iberdrola Group, a Spanish-based electric utilities company, to provide strategy, digital marketing and media planning/buying, and analytics services. Rick helped develop a multi-faceted media plan to increase brand awareness and affinity. As the Digital media Director, he also oversaw all media buys for digital platforms.

Digital Media Director | Sierra Health Foundation

Sensis was selected by the Sierra Health Foundation to educate the community on COVID-19 in order to minimize the spread of the virus. As the Digital Media Director, Rick develops the media strategy, and oversaw media buys and placements in the digital space. He also helped oversee and manage the \$15 million dollar media budget.

PAST WORK EXPERIENCE

Digital Media Planner | Wingman Advertising | Los Angeles

2008 – 2010

Acted as daily contact and Agency's digital media expert for portfolio of clients including Sit n' Sleep, Boston Medical Group, and Crestline Funding. Successfully managed the client relationship regarding digital media and ROI for direct response initiatives. Oversaw creative production and A/B Split testing to realize a 210% decrease in CPA for clients.

Digital Media Specialist | Clear Channel | Los Angeles, CA

2007 – 2008

Served as digital media SME for Clear Channel's cluster of Los Angeles properties. Worked with a large portfolio of clients including Ticketmaster, Blue Ice Vodka and LA Boxing to better understand direct-purchase options.

EDUCATION

UCLA Extension | Los Angeles, CA

2011 – 2015

Communications and Advertising



AMANDA TEMENAK – MEDIA SUPERVISOR



Amanda offers over 10 years of client management and media buying experience. She works closely with our research team to understand media vendors and audience media consumption behavior. She offers clients researched-based media strategies that are cost effective and accurately reach their target audiences and spread the messaging of the missions and goals. She also works closely with the creative and strategy teams to ensure that all media placements are aligned with the client's goals. She is experienced in media planning and buying, negotiation, and media tracking. Her

responsibilities include monitoring daily management, providing frequent updates to the clients, and assisting with media buys and placements. She also creates researched based media plans and strategies. Amanda has 10 years of media planning and buying experience.

RELEVANT PROJECT EXPERIENCE

Media Supervisor | Centers for Disease Control and Prevention

Sensis was selected by the Centers for Disease Control and Prevention (CDC) to raise awareness regarding travel safety during the COVID-19 pandemic to encourage travelers to get vaccinated. Amanda is the Media Supervisor for this project and assists the Media team with media buys, plans, and placements. She also helps manage the media budget, which is \$4.1 million for this campaign and provides updates to the client.

PAST WORK EXPERIENCE

Media Buyer | National Media

2018 - 2021

Developed and leveraged strong vendor relationships to consistently generate cost savings on purchased schedules and keep up with most up to date industry trends and products. Planned, negotiated and purchased multi-million-dollar television, radio and print campaigns. Managed linear media assets, schedules/deadlines and contracts. Provided accurate post campaign reconciliation and reports.

Marketing Consultant | Rosenthal Properties

2012 - 2021

Planned, implemented, monitored and analyzed the performance of all paid media placements. Paid media included print, electronic billboard, TV, social media and radio. Quarterly budgets averaged 100k. Oversaw the advertising of 10 shopping centers throughout Virginia, Maryland and Washington, DC. Coordinated design, development and implementation of projects.

EDUCATION

University of Arizona | Tuscon, Arizona

2007 - 2010

B.A., Marketing Communications, Business (minor)



JENNA WHITE – SENIOR DIGITAL MEDIA PLANNER AND BUYER



As Sensis' Senior Digital Media Planner and Buyer, Jenna offers over 6 years of media management and buying experience. She oversees the execution of strategic media plans and leads the negotiation process with vendors. She also leads media buys over a wide variety of platforms, including digital, search, paid social and more. Jenna also provides campaign media tracking and reporting duties and monitors campaign metrics and outcomes which allow her to develop specific recommendations for clients to further their campaign optimization. She supports the media efforts for multiple campaigns, including those for both federal and commercial clients. Jenna's responsibilities include planning and executing ad buys for a variety of digital mediums, including display, search, social media, connected TV, and OTT. She also works with the media team to assist with media buys, plans, placements, and negotiations. Jenna brings 6 years of experience in digital media planning and buying.

RELEVANT PROJECT EXPERIENCE

Senior Digital Media Planner and Buyer | Centers for Disease Control and Prevention

Sensis was selected by the Centers for Disease Control and Prevention (CDC) to raise awareness regarding travel safety during the COVID-19 pandemic to encourage travelers to get vaccinated. Jenna serves as the Senior Digital Media Planner and Buyer for this project. She supports and oversees all digital ad buys and helps manage the \$4.1 million media budget.

PAST WORK EXPERIENCE

Digital Ad Buyer | National Media Research, Planning & Placement | 2016 - 2021

Responsible for lead generation, direct donation, and persuasion campaigns. Planned, bought, invoiced, and reported to the client and ad firm's partners.

Project Manager

Planned and produced email fundraising and messaging content, managed client calls, reports, and strategy coordination efforts.

Content Coordinator

Produced email fundraising, search and social ads, and organic social media. Produced copy.

EDUCATION

University of Texas Law School | Austin, Texas 2012 - 2015

Doctor of Law

University of Texas, Austin | Austin, Texas 2008 - 2012

B.A., Rhetoric & Writing and Government



HANNAH MCCARTHY – MEDIA PLANNER AND BUYER



Hannah works within the media team and is responsible for negotiation with trusted vendors to purchase media across a wide variety of platforms, including but not limited to digital, search, and paid social. She assists with media buys and placements and developing media plans and strategy. She provides campaign media tracking and reporting duties, and monitors campaign metrics and outcomes to develop specific recommendations for her clients to further campaign optimization. Hannah is skilled in the use of MRI-Simmons, Geoscape, Nielsen, and ComScore. At Sensis, Hannah

supports the media team by managing media buys and negotiations. She is responsible for creating media plans and relaying the information with the client and making any necessary changes. She also tracks and analyzes campaigns and makes any change to help increase effectiveness. Hannah has 3 years of experience in Advertising Media Planning and Buying.

RELEVANT PROJECT EXPERIENCE

Media Buyer | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. Hannah supported media buys and negotiations for this campaign as well as media analytics.

Media Buyer | Centers for Disease Control and Prevention

Sensis was selected by the Centers for Disease Control and Prevention (CDC) to raise awareness regarding travel safety during the COVID-19 pandemic to encourage travelers to get vaccinated. Hannah supports this campaign by assisting the Media team with media buys, placements, negotiations and analytics.

EDUCATION

Stonehill College | Easton, Massachusetts

2016 - 2020

B.A., Marketing



REBEKAH MULLINS – ASSISTANT MEDIA BUYER/PLANNER



As an Assistant Media Buyer/Planner, Rebekah supports the development and execution of media plans. Her primary expertise lies specifically in tracking and reporting on campaign performance. A detail-oriented mindset enables Rebekah to manage campaigns' pacing: including measuring performance, leveraging vendor partnerships to increase the buy's efficiency, and optimizing internal digital tactics on a daily basis. This degree of involvement with each campaign Rebekah works on lends well to her reporting capabilities, as she is able to provide strategic insights and recommendations as well as make complicated decks digestible for clients at any level of marketing experience.

RELEVANT PROJECT EXPERIENCE

Asst Media Buyer/Planner | Anthem Healthcare

Sensis was selected by Anthem Healthcare to be their Hispanic Agency of Record to increase Anthem awareness and generate sales among the Spanish-speaking population. As an assistant media buyer/planner, Rebekah is primarily responsible for overseeing the daily minutiae of media buys and placements as well as providing comprehensive performance reports.

Asst Media Buyer/Planner | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. As an assistant media buyer/planner, Rebekah is primarily responsible for overseeing the daily minutiae of media buys and placements as well as providing comprehensive performance reports.

PAST WORK EXPERIENCE

Account Strategist | Redroc Austin | Austin, TX

2019-2021

Acted as the account lead for a portfolio of Central Texas clients such as Just For Fun and Austin's Park n' Pizza. Oversaw creative production and digital media, fostered client relationships, and influenced successful strategy.

Audience Development Intern | Texas Monthly | Austin, TX

2018-2019

Performed audience research and development for an established magazine with a widespread and committed readership throughout Texas. Facilitated local events and government partnerships, as well as provided detailed daily reporting on media placements.

EDUCATION

The University of Texas at Austin | Austin, TX

2015-2019

B.S., Advertising Management



OSCAR PADILLA – VICE PRESIDENT OF DATA SCIENCE



Oscar is a practiced professional in data sciences and analytics, bringing over 20 years of experience developing marketing and web communications strategy based on research and key insights. He has spearheaded strategic analytic projects for clients such as Nestle and Capital One and has developed marketing solutions for multiple Fortune 1000 clients. He is an experienced leader who understands how to build and manage cross-functional teams to drive revenue, retention, and growth. Oscar's areas of expertise include fluency in advertising technology, knowledge of analytics and strategy, supporting advanced targeting solutions through data, and leadership experience directing high-performing service teams and projects.

RELEVANT PROJECT EXPERIENCE

Project Manager | Shopify, Inc.

Oscar was selected to help Shopify gain deeper insights into Hispanic e-commerce entrepreneurs to better target this audience and effectively reach them through digital channels. To accomplish this, Oscar utilized Shopify's customer data sample and applied fuzzy matching to an in-house master database and appended and enriched Shopify records. With this information, he performed a deeper customer segmentation analysis and compared USH vs. white non-Hispanic audiences, which provided vital insights into understanding critical behavioral characteristics that made up the USH segment. To activate these insights, Oscar and his team developed a propensity model (look-alike) that we then scored against a permissible data source to produce a targetable audience. This data was integrated with LiveRamp and pushed directly to client's DSP.

Project Manager

Oscar was selected by a national sports and music ticketing company to build a richer customer data file and improve cross-sell and upsell opportunities. Initial efforts involved comprehensive efforts to standardize the client's house file. The data cleansing process was done bi-directional so that the clean data lived in both environments. Oscar and his team then segmented and divided the data into distinct cohorts based on purchasing attributes across sports game events attended and music events. The data set was enriched to provide greater social-demographics information focused on family compensation and income levels. Initially, analysis helped define unique buyer patterns based on family makeup that supports multi-family ticket purchases rather than single-event ticket transactions. With this new analysis, we developed a unique identifier appended to client data. All new records were scored with this identifier to create custom offers for each client through email offers and event alerts.

PAST WORK EXPERIENCE

SVP Global Head of Customer Success & Strategic Partnerships | 2020 - 2022 BrandTotal | New York, NY

Head of Client Success operations managing all post-sale activities for leading social media intelligence SaaS platform. Lead the Customer Success, and professional services teams across US, UK and Israel; responsible for customer retention and growth.



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Founder & Head of Strategy | Venci | Los Angeles, CA

2020 - 2022

Help clients uncover growth opportunities through data and insights. Deliver solutions for customer segmentation, in-house digital media, and SaaS customer success operations.

SVP, Digital Marketing and Insights | Entravision Communications | Los Angeles, CA

2012 - 2020

Harnessed first-party data enabling brands to hyper-target consumers across desktop, mobile, video, social, and OTT channels. Identified new opportunities and partnerships which drove revenue across content, data platform and agency services.

EDUCATION

University of Maryland | College Park, MD

B.S., Business Administration



ANDREW BURNETTE – ANALYTICS MANAGER



Andrew is a Senior Digital Strategist at Sensis and has nearly 20 years of experience in SEO, website analytics, digital campaign strategy, message development, and online communications for non-profit and government clients. He is a consummate digital strategist who effectively promotes company vision to the public by thinking beyond traditional techniques and utilizing digital tools, with specialties in digital advocacy, project management, and online surveys and analysis. His responsibilities include working to improve measurement and analytics such as ROI, engagement, and effectiveness. He also develops content strategy, information

architecture, and conducts SEO analysis for clients. Andrew has 13 years of experience in advertising measurement, research, and advanced analytics and reporting.

RELEVANT PROJECT EXPERIENCE

Digital Experience Manager | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. Andrew is the Digital Experience Manager and Strategist for this project and supports the Media team by providing insight on engagement and optimization.

Digital Experience Manager | Anthem Healthcare

Sensis was selected by Anthem Healthcare to be their Hispanic Agency of Record to increase Anthem awareness and generate sales among the Spanish-speaking population. As the Digital Experience Manager, Andrew supports the Media team with the optimization of digital media materials.

Digital Experience Manager | Iberdrola Energy

Sensis was hired by Iberdrola Texas, part of the Iberdrola Group, a Spanish-based electric utilities company, to provide strategy, digital marketing and media planning/buying, and analytics services. Andrew was the Digital Experience Manager for this project and oversaw strategy for digital media and supported media analytics.

PREVIOUS WORK EXPERIENCE

Digital Comms Director | World Learning | Washington DC

2011 – 2014

Directed organization's online communication's team and digital strategy. Provided editorial direction to content creators and subject matter experts. Served as executive editor and lead technologist for the organization's monthly email newsletter. Helped to develop the organization's messaging and external communications collateral, and routinely analyzed web data for insights.

Online Comms Director | Save Darfur | Washington D.C

2009 – 2011

Managed organization's digital advocacy, web presence, and social strategy. Advised, wrote, and sent targeted local and regional email messages to engage 1 million activists. Worked closely with fundraisers to establish consistent dialogue with potential donors.



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EDUCATION

George Washington University | Washington D.C.

MPS, Political Management

University of Iowa | Iowa City, IA

B.A., Religious Studies



PEARL OWEN – DIRECTOR OF STRATEGIC PLANNING

As Sensis' Director of Strategic Planning, Pearl is a strategic listener with 17 years of experience who helps people order their thinking and unearth buried meaning that becomes pivotal for strategic clarity in client messaging. As an ex-lawyer, Pearl is a savant in uncovering hidden truths across general, Hispanic, and African American audiences. With a wealth of experience in consumer-focused brands as well as healthcare and family issues, Pearl brings an unmatched authenticity and intelligence to every marketing strategy she develops. Pearl's responsibilities include developing consumer insights and strategic briefs based upon deep-dive research into a variety of audience across the nation. She specializes in English/Latino messaging in both English and Spanish. Pearl has 12 years of experience in marketing strategy and planning.

RELEVANT PROJECT EXPERIENCE

Director of Strategic Planning | UnidosUS

Sensis was selected by UnidosUS to combat hesitancy surrounding the COVID-19 vaccine through an education and awareness campaign targeting hard-to-reach audiences, such as Latinos, in the state of Texas. As the Director of Strategic Planning, Pearl leveraged her in-depth knowledge of Latino audience to determine outreach strategies for the target audience. She also oversaw strategy development for the entire marketing campaign.

PAST WORK EXPERIENCE

Director of Strategic Planning | Sanders\Wingo | El Paso, TX 2017 – 2021

Developed consumer insights and strategic briefs based upon deep-dive research into a variety of audiences across Texas. Specialized in English/Latino messaging in both English and Spanish, working with big brands, Fortune 500 companies, and non-profit organizations.

Sr. Account Planner | Deutsch | New York, NY 2013 – 2014

Provided top-level account planning services to help understand how brands should be best positioned in the greater marketplace. Explored creative ideas and generated creative briefs for clients based upon both qualitative and quantitative research.

EDUCATION

The University of Texas at Austin | Austin, TX 2003 – 2005

Master of Business Administration (M.B.A.)

The University of Texas at Austin | Austin, TX 1994 – 1997

Doctor of Law (J.D.)

The University of Texas at Austin | Austin, TX 1991 – 1994

B.S., Advertising



MARK MACKLIN – STRATEGY DIRECTOR



As Sensis’ Strategy Director, Mark provides strategic leadership to all Sensis accounts and strategic planning staff across all four of Sensis’ offices. With 23 years of experience, Mark oversees overall strategy development from inception to performance measurement, which includes research methodology and design, fielding and analysis and reporting, strategic recommendation, creative strategy development, and data analytics and reporting. Mark has over a decade of experience developing insights for the public and private sectors alike. Mark’s responsibilities include managing the development of marketing strategies that address consumer behaviors, sentiments, and perceptions of client brands. He develops strategic briefs for creative and media teams to review for prominent clients. Mark has over 13 years of experience working in advertising strategy.

RELEVANT PROJECT EXPERIENCE

Strategy Director | Centers for Disease Control and Prevention

Sensis was selected by the Centers for Disease Control and Prevention (CDC) to raise awareness regarding travel safety during the COVID-19 pandemic to encourage travelers to get vaccinated. For this project, Mark is the Lead Strategy Director and oversees all marketing strategy decisions and ensures that they meet client goals are reach the target audience.

PAST WORK EXPERIENCE

VP Strategic Planning | The Marketing Arm | Dallas, TX 2017 – 2020

Provided crucial marketing strategies which included consumer demographics, cultural insights, and key research findings to educate both client and agency staff alike on target audience behaviors. Key clients included State Farm and Microsoft.

Director of Strategy | imc² | Dallas, TX 2014 – 2016

Provided crucial marketing strategies which included consumer demographics, cultural insights, and key research findings to educate both client and agency staff alike on target audience behaviors. Key clients included HAGGAR Clothing Co. and TD Bank.

VP Digital Brand Planning | Fleishman-Hillard | Dallas, TX 2011 – 2014

Conducted firsthand research into target audience digital brand preferences to cultivate nationally recognized brands for the emergent digital era. Developed digital brand strategies for key clients including Google, USAA, AT&T, and Chevrolet.

EDUCATION

Franklin W. Olin Graduate School of Business | Wellesley, MA

M.B.A., Entrepreneurship

University of Colorado | Boulder, CO

B.S., Finance + Marketing

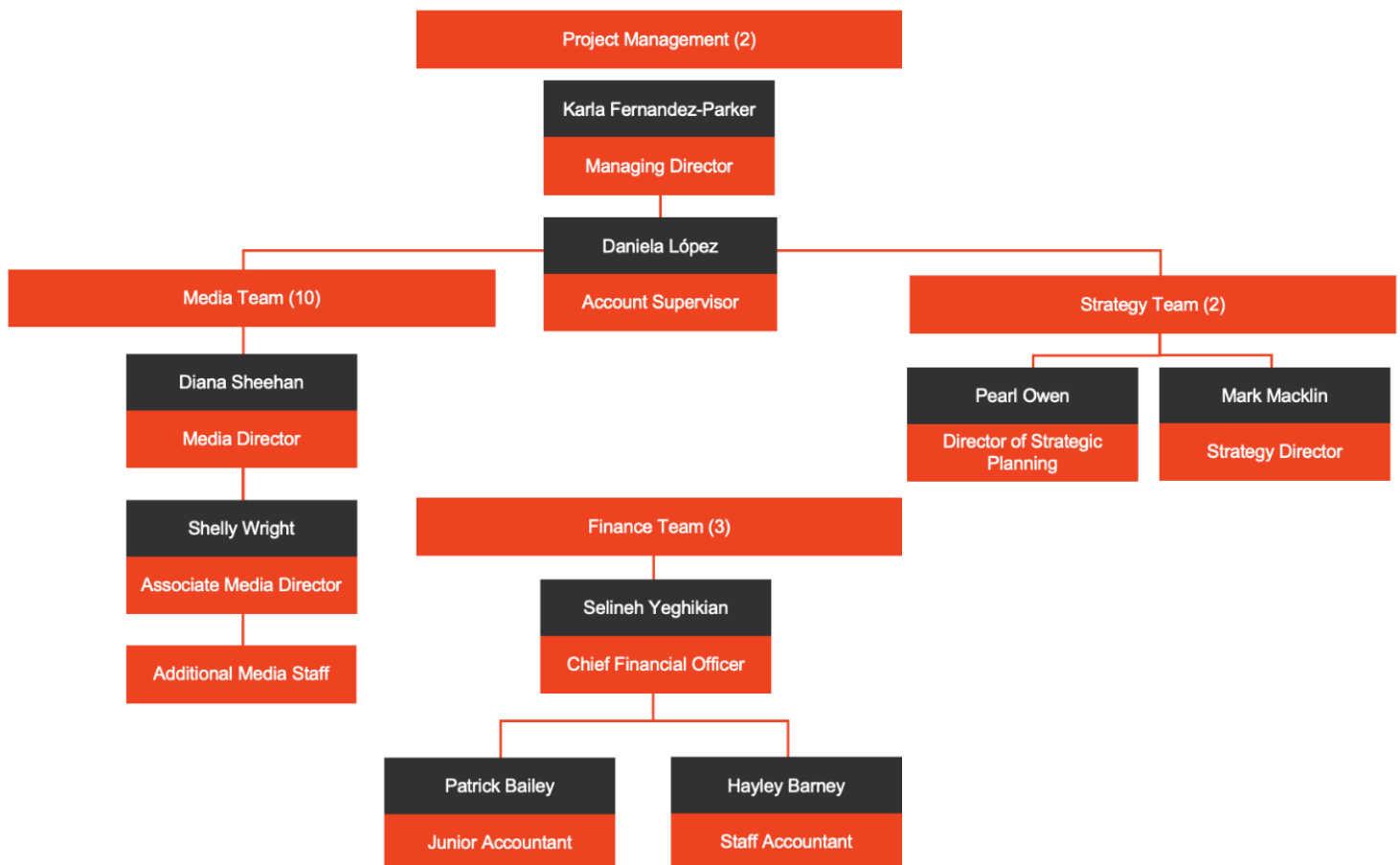


- 6.1.2 Proposers must provide an organizational chart which identifies all staff who will support the Texas Lottery account. The organizational chart should include the position titles, number of positions, and names of all personnel. The organizational chart should include corporate directors and/or officers who will provide direction or oversight to the Texas Lottery account.

We have read, understand, and will comply.

Please find our response to Section 6.1.2 on the following pages, including organizational charts across relevant Sensis departments. NOTE: the number of positions in these organizational charts do not necessarily indicate full-time employees. Percent time will vary.

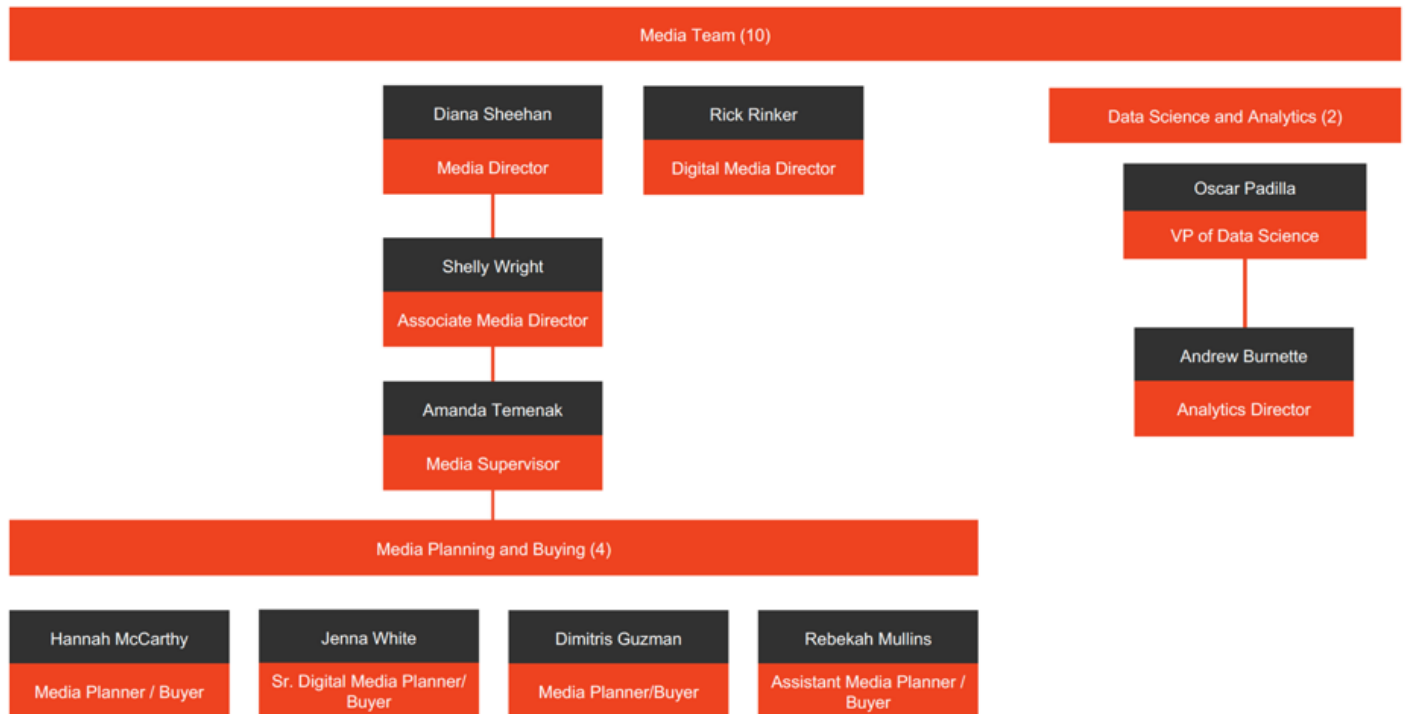
Proposed Team Org Chart





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Media Team Org Chart

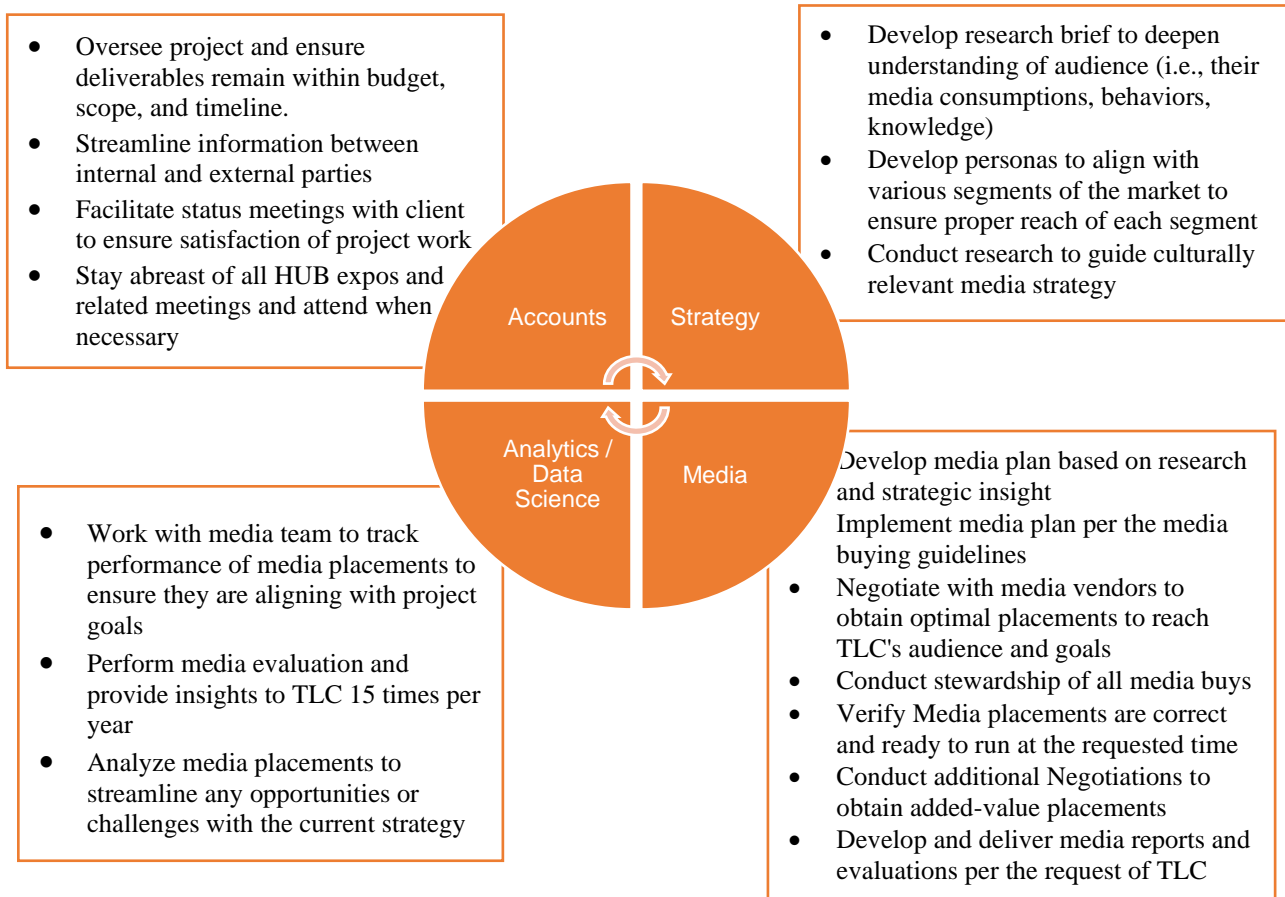




6.2. Agency Staff Structure

- 6.2.1 Proposers must submit an in-depth staffing plan 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. 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.

We have read, understand, and will comply. As provided in our responses to 6.1.1. and 6.1.2, Sensis has the talent and experience to service the Texas Lottery Advertising Media Services account. Detailed staffing plans are provided in each organizational chart by relevant department. It is important to note Sensis is organized in into six discipline areas, which work collaboratively on all relevant projects. At the center of the process is the Account Management team who are highly skilled at marshaling and managing agency resources to service the needs of our clients. For this project, we will utilize four of our six disciplines to meet the specific needs of TLC:





As highlighted above in sections 6.1.1 and 6.1.2, Sensis offers the Texas Lottery an impressive team of professionals to service this account. Though our teams may work within different verticals, servicing the tasks displayed in our staffing plan above, we work as one cross-functional team to cut out silos and offer the Texas Lottery a transparent and streamlined partner to efficiently manage this project. Our integrated team is well versed working with one another and act as a multidisciplinary team who offer cross-functional skill sets to provide thorough project management, planning, and execution of all tasks within this Advertising Media Services project.

- 6.2.2 Proposers must provide a list of personnel, including media planning and/or media buying subcontracting personnel to be assigned to the Texas Lottery account and include detailed resumes for all personnel, which include, at minimum name: title and job description; number of years of experience; description of current duties, and length of time spent doing present (or related) 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.

Please find our response to Section 6.2.2 on the following pages.

- 6.2.3 Media Staffing. Each Proposer must describe the staffing levels and functions of its media department, identify the personnel assigned to each function, and cross reference to the personnel list as necessary, The Media Director should have a minimum of seven (7) years of relevant media experience and the Media Supervisor should have a minimum of five (5) years of relevant media experience. Media staff may include the following:

- Media Director
- Media Supervisor
- Senior Media Planner
- Media Planner
- Junior Media Planner
- Senior Media Buyer
- Media Buyer
- Junior Media Buyer

We have read, understand, and will comply.

We have read, understand, and will comply with Section 6.2.3 in this RFP. Please see below our response to Section 6.2.3.



Sensis has an in-house integrated media planning and buying team capable of developing and deploying media buys for TLC. Led by our Media Director Diana Sheehan, a veteran of traditional and digital media platforms with over 20 years of experience spanning both general and multicultural audiences, our Media team consistently places over \$25 million in media across the U.S. each year, for public clients at the local, state, and national levels. Below is a list of our proposed media staff who will offer TLC their extensive, experience, and understanding of the Texas market to properly place media in a way that not only educates but reaches hard-to-reach audiences.

Media

- **Media Director - Diana Sheehan:** With over 20 years of experience working within large DMAs in Texas, Diana Sheehan will provide media oversight provide for this proposal.
- **Associate Media Director - Shelly Wright:** With over 25 years of experience working within the Texas market, Shelly Wright will provide media buying and placement support for this proposal.
- **Media Supervisor - Amanda Temenak:** With over 10 years of experience in large markets across the country including Texas, Georgia, and California, Amanda Temenak will provide media planning and buying support for this proposal.
- **Sr. Media Planner and Buyer - Jenna White:** With 6 years of experience, Jenna White will provide digital media buying and placement support for this proposal.
- **Junior Media Planner and Buyer - Hannah McCarthy:** With 2 years of experience, Hannah McCarthy will provide media buys negotiation for this proposal

Other Staff. Each Proposer must describe the staffing levels and functions of any other departments and identify the personnel assigned to the Texas Lottery account. The Proposal should include or cross-reference to information reflecting the number of yearsof experience and the job description for each.

We have read, understand, and will comply with Section 6.2.4 in this RFP. Please see below our response to Section 6.2.4

Strategy

Unlike most ad agencies, Sensis is built around and focused on research and strategy. Our research and strategy team utilizes the latest market research techniques and tools to understand audience behaviors both online and offline to ensure media buys properly reach them where they are. We not only plan and manage research initiatives in accordance with best research practices – we conduct our own in-house studies with our analytics practice. Our market research will directly guide all our media planning efforts, including audience segmentation and platform targeting. Below are our seasoned strategic professionals who will provide insight to ensure our media planning and buying is properly aligned with each audience segment.



- **Pearl Owen:** With over 20 years of experience offering cross-cultural strategic insight, Pearl Owen will provide high-level strategic planning for this proposal.
- **Mark Macklin:** With over 23 years on experience in full-service marketing agencies, Mark will oversee strategic development and ensure that it addresses consumer behaviors, sentiments, and perceptions.

Analytics / Data Science

Here at Sensis, we believe routine check-ins and high-touch support are vital to ensure media buys are performing well and have an impact on client missions and goals. To properly support this task, we offer our seasoned digital media analytics who will support the media team in tracking/analyzing media buys to ensure proper exposure and reach among the diverse audience. In addition to measuring campaign effectiveness based on return on ad spend (ROAS) or cost-per-action (CPA), Sensis measures media attribution through a combination of in-house resources and the use of ChannelMix, a robust media analytics platform. Sensis can execute attribution measurement through rule-based models (multi-touch attribution), data-driven predictive algorithms, or spend-planning and ROI prediction. Deploying the right approach will depend on data quality and recurring data availability. Our end-to-end attribution measurement solution includes:

- Data Tracking
 - Data Unification
 - Data Modeling
 - Data Visualization
- **Oscar Padilla:** With over 25 years of experience in data science and analytics, Oscar brings unmatched experience in applying data science tools and techniques to advertising and media planning and buying activities for clients across the private and public sector.
 - **Andrew Burnette:** With over 21 years of experience offering digital media analytics to state clients across the nation, Andrew Burnette will provide digital analysis oversight for this contract.

- 6.2.4 Other Staff. Each Proposer must describe the staffing levels and functions of any other departments and identify the personnel assigned to the Texas Lottery account. The Proposal should include or cross-reference to information reflecting the number of years of experience and the job description for each.

We have read, understand, and will comply. Please see above our response to Section 6.2.3.



7 PART 7 – SCOPE OF SERVICES

This section defines the scope of the services to be performed by the Successful Proposer as part of this RFP for Advertising Media Services.

7.1. General Description of Services and Requirements

- 7.1.1 The Successful Proposer must be able to perform the functions of an advertising media planning and buying agency, including, but not limited to, planning, buying and stewardship of broadcast, newspaper, digital, social, out-of-home media, and sponsorship activations.

We have read, understand, and will comply.

Sensis' in-house media team offers a powerhouse team of seasoned professionals skilled in sponsorship activation, media strategy, negotiations, evaluation, planning and buying, and stewardship for all types of media including broadcast, newspaper, digital, social media, and out-of-home. With our media team collectively offering TLC 100 years of experience working to manage and implement media buys big and small, Sensis is well equipped to successfully meet the needs of this project effectively and efficiently.

Planning and Buying: Sensis offers an in-house integrated media planning and buying department with over 25 years of experience and unmatched clout in various markets across the nation, and across every market and county in Texas. We are well versed in both traditional and digital media planning and buying. Our clients attest to our negotiating power to deliver discounted rates and added value, well above 20% on most programs, through over \$25 million in media buys across the U.S. each year. Our team has placed media in every DMA and county across Texas for clients. We have experience buying and placing media for state entities, local organizations and non-profits, and the federal government.

- 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 all adult Texans (ages 18+).

We have read, understand, and will comply. Please reference our response to 4.1.1.



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 §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.”

We have read, understand, and will comply.

Sensis has extensive experience planning and buying media for clients that relate to sensitive topics. We understand that our placements should educate, bring awareness, and reach audiences in a way that is culturally relevant and aligns with the mission, goals, and values of the Texas Lottery.

- 7.2.2 Please refer to (Attachment M) for detailed sensitivity guidelines.

We have read, understand, and will comply.

Sensis has thoroughly reviewed Attachment M, Advertising Guidelines, and will abide by all guidelines set forth that are directly related to our media planning and buying efforts. Through our media planning and buying we will not place media in a way to solicit children, create the perception that the Texas Lottery has control over where winning tickets are sold and purchased, etc. We confirm that we will work in accordance with Tex. Gov’t Code §466.110 while planning and placing media for this contract.

7.3. Media Plan

- 7.3.1 The Texas Lottery will provide the Successful Proposer with a media strategy including planned product flights and an overall budget. The strategy shall clearly define sales and media 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 the goals and objectives at any time.

We have read, understand, and will comply.



7.3.2 Media Plan. The Successful Proposer shall be required to develop an annual media plan that is consistent with the Texas Lottery’s sales and media goals and communication objectives and must be approved in writing by the Texas Lottery. The Texas Lottery’s media plan should reach all adult Texans (ages 18+). Unless otherwise specified by the Texas Lottery, the media plan, at a minimum, must include:

- (1) Allocation of dollars by media, DMA and/or measured geography with detailed rationale.
- (2) Billboard production projected costs. (Section 7.8)
- (3) Measurable metrics as appropriate for each medium (i.e., impressions, GRPs, etc.).
- (4) Detailed media flowchart that specifies mediums, markets and costs.
- (5) Any other topics specified by the Texas Lottery.

The media plan should be based on the Texas Lottery’s fiscal year (FY) (September 1 – August 31). The Successful Proposer shall submit a media plan for FY24 no later than four weeks after the Contract execution date, or as specified by the Texas Lottery. Media 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.

7.4. Budget

7.4.1 The level of anticipated annual FY spending will be determined by the Texas Lottery. The budget for FY 2023 is \$10,000,000 net. The Successful Proposer shall develop a cost-efficient and effective media plan that is responsive to the Texas Lottery’s marketing needs.

We have read, understand, and will comply.

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.

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.



7.5. Reports

- 7.5.1 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. Sensis confirms we will make no commitments on behalf of the Texas Lottery without prior written approval. We will maintain a transparent relationship with Texas Lottery ensuring that all information is streamlined and both parties are aware of all changes, updates, milestones, and communication with vendors. Through our account management approach, Sensis will collaborate with the TLC to ensure approval as needed throughout the contract's progression.

- 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.

We have read, understand, and will comply.

- 7.5.3 The following report is due the first Wednesday of each month:

- Approved Expenditure Report. A summary of all approved expenditures to date for the current fiscal year by media type. The summary shall indicate the total amount available in the budget and the total amount currently committed. The summary may also include current amounts invoiced, amounts invoiced but not paid, remaining amounts committed but not invoiced, current amounts paid, and closed dates.

We have read, understand, and will comply.

- 7.5.4 The following report is due quarterly:

- Quarterly Print Audit Report. All newspapers must have a current compliant print audit to be eligible for consideration. No more than thirty (30) Days following the end of each quarter, the Successful Proposer shall submit a quarterly print audit report. Print audit report will include name of publication, circulation, DMA, year established, publication frequency, distribution sites, audit information (status, method/firm, relevant dates), as well as publisher contact information.

We have read, understand, and will comply.



7.5.5 The following report is due on an annual basis:

- Fiscal Year-End Added Value Report. The Successful Proposer shall submit a fiscal year- end summary of actual added value achieved as a result of the previous fiscal year’s media buys no later than December 15 or as otherwise prescribed by the Texas Lottery.

We have read, understand, and will comply.

7.5.6 The following reports are due no later than three (3) weeks prior to each campaign launch as follows:

- Media Buys. All media buys must include a summary of planned and purchased goal metrics met by purchased geography, and any cost savings achieved.
- Added Value. In accordance with Section 7.6.7, added value reports are required with the media buys or as prescribed by the Texas Lottery. These reports must include description, quantity and net value by purchased geography.

7.5.7 The following report is due within 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 and purchased measurable metrics of each buy were achieved within budget. If the broadcast goals were not achieved, the report shall contain a make-good report where under delivery was issued. If the digital, social and out-of-home goals were not achieved, the report shall show savings for missed delivery.

7.5.8 The following report is due no later than thirty (30) Days after each sponsorship activation completion

- Post Sponsorship Report. This report provides a recap of each sponsorship activation as prescribed by the Texas Lottery.

We have read, understand, and will comply.

7.5.9 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 liquated damages under Section 3.48.9.

We have read, understand, and will comply.

7.5.10 Ad Hoc Reports. The Texas Lottery may require the Successful Proposer to develop media



reports or analysis of advertising opportunities with mutually agreed upon dates for delivery.

We have read, understand, and will comply.

7.6. Media Services

- 7.6.1 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. (See Attachment N) 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.

- 7.6.2 Planning. The Successful Proposer shall be responsible for the planning of the media budget. Allocation will be agreed upon by both parties. Proposers are required to discuss their access to advertising research, both quantitative and qualitative, for the Texas Lottery.

We have read, understand, and will comply.

- 7.6.3 Negotiation and Placement. The Successful Proposer shall be responsible for the placement and purchase of all media, which may include broadcast, digital, social, out-of-home and newspaper media as directed by the Texas Lottery. 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 vendors shall be invoiced 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.

- 7.6.4 Trafficking of Media. The Successful Proposer shall be responsible for the trafficking of all creative assets to media vendors in a timely manner and adhere to all deadlines with receipt confirmation. The Successful Proposer must provide the Texas Lottery with detailed creative asset specifications in a timeline as prescribed by the Texas Lottery. The Texas Lottery will provide all creative assets.

We have read, understand, and will comply.

- 7.6.5 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.

- 7.6.6 Placement Verification. The Successful Proposer shall review, process invoices and address any discrepancies prior to submitting to the Texas Lottery. This includes but not limited to confirming traffic, rotation, in-geo placements, brand safety, and flight dates for the purchased media channels. In addition, the Successful Proposer shall provide, at no cost to the Texas Lottery, affidavits, tearsheets or any other placement verification requested by the Texas Lottery.

We have read, understand, and will comply.

- 7.6.7 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 for each fiscal year. (See Attachment N)

We have read, understand, and will comply.

Sensis's Media Team has 24 years of media negotiation experience for a wide variety of clients with a special emphasis on government and public education campaigns. Our team continually strives to provide additional value on every campaign we have conducted, often with remarkable success; most recently, our media team has provided a 325% return on investment for a public health campaign running in 4 markets across Texas. Every media vendor has a different ability to provide value-added media – broadcast will run additional no-charge spots, print can sometimes provide additional digital placements or discounted rates on color charges or ad space, and out-of-home can extend posting time for poster and signage campaigns. We are prepared to work with each vendor to provide value-added services that will meet the establish goals for added value for each fiscal year and are most fitting for the project.

7.7. Media Evaluations

Up to fifteen (15) times per year, the Texas Lottery shall require the Successful Proposer up to provide media evaluations, an analysis of advertising opportunities with third parties, with mutually agreed upon due dates. This may include retailerco-op promotional opportunities and sponsorship activations.

We have read, understand, and will comply.



7.8. Out-Of-Home Production

Campaign billboards. The Successful Proposer shall be responsible for negotiating and contracting out-of-home billboard assets including but not limited to vinyls, extensions, and snipes.

Jackpot billboards. The Successful Proposer shall be responsible for negotiating and contracting new and replacement out-of-home billboard assets including but not limited to vinyls, and jackpot number box replacement or repair. In addition, the Successful Proposer will also be responsible for resolving signal failures with jackpot box vendor.

We have read, understand, and will comply.

7.9. Goods and Equipment

The Successful Proposer shall bear all storage, destruction and other costs in connection with the disposal of jackpot boxes and equipment as requested by the Texas Lottery. If needed, 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.

7.10. Sponsorship Activations and Entitlements

- 7.10.1 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. Sponsorship activations are intended to increase product trial and educate new and potential players about Lottery products.

We have read, understand, and will comply.

- 7.10.2 At the Texas Lottery's request, the Successful Proposer shall assist in selecting, developing, negotiating and contracting for sponsorship activations in support of the Texas Lottery brand and products. This may include contracted services with third-party vendors.

We have read, understand, and will comply.



- 7.10.3 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 sponsorship 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. 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.

7.11. Conventions and Meeting

- 7.11.1 Conventions and Meetings. All Texas Lottery vendors should stay current on industry trends by attending various conventions, 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 actual expenses from the Texas Lottery and travel expenses will be reimbursed pursuant to Texas State per diem rates (See Section 7.14).

We have read, understand, and will comply.

7.12. Expenditure Approval

- 7.12.1 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. The Successful Proposer shall provide at least five (5) Working Days for all estimate approvals and shall submit estimates in a format prescribed by the Texas Lottery.

We have read, understand, and will comply.

- 7.12.2 Agency Fee. Each estimate will include a line item for agency fees (based on the projected expenditure of the job and commission percentage). This applies to any estimates related to any pre-existing media commitments that the Successful Proposer will take over.

We have read, understand, and will comply.



- 7.12.3 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 and reason for revision. No cost changes estimates will be prescribed by the Texas Lottery.

We have read, understand, and will comply.

- 7.12.3 Estimate Cancellations. For any previously approved estimate that is cancelled, the Successful Proposer shall submit a zero-dollar closed invoice to the Texas Lottery, or other documentation process as prescribed by the Texas Lottery.

We have read, understand, and will comply.

7.13. Billing / Invoices

- 7.13.1 In accordance with Section 3.8 and as further described herein, the Successful Proposer shall submit invoices to the Texas Lottery following delivery of completed services in accordance with a signed and pre-approved estimate.

We have read, understand, and will comply.

- 7.13.2 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 Working Day. By submitting an invoice for payment, the Successful Proposer certifies that services have been rendered in accordance with the Contract.

We have read, understand, and will comply.

- 7.13.3 The Successful Proposer shall submit with each billing cycle, or as prescribed by the Texas Lottery, a billing contents list and a closed jobs list. Each billing binder to include a summary statement of invoices that lists all jobs

We have read, understand, and will comply.

- 7.13.4 The Successful Proposer must include, at a minimum, or as prescribed by the Texas Lottery the following with each invoice: (i) invoice with invoice number, PO number, date of service, estimate number, and any line items; flight dates; and amount; (ii) cost detail with approved estimate amount, current billed amount, amount billed to date and balance



remaining; (iii) all approved estimates and revisions; and (iv) supporting documentation (e.g., vendor invoices, tearsheets, affidavits, etc.)

We have read, understand, and will comply.

- 7.13.5 No payment will be made to the Successful Proposer without a signed and approved estimate. The Texas Lottery will only authorize payments upon the completion and acceptance of services. The Texas Lottery does not pay any vendors directly.

We have read, understand, and will comply.

- 7.13.6 Agency Fees to be billed with each invoice after invoice reconciliation at an actualized amount (based on the actual expenditure of the job and commission percentage). Invoices will include media placements, Out of Home Production (Section 7.8), Goods and

We have read, understand, and will comply.

- 7.13.7 The Texas Lottery does not pay sales tax. The Successful Proposer will be provided a tax exemption letter.

We have read, understand, and will comply.

- 7.13.8 Estimates will be closed ninety (90) Days after the completion of the media job. Once an estimate is closed, no further billing can be submitted. The Successful Proposer is required to mark “Closed” on all final job invoice submitted to the Texas Lottery for payment.

- 7.13.9 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.

- 7.13.10 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.

- 7.13.11 Any invoices submitted that do not have all required detail to process for payment will be disputed in accordance with Tex. Gov't Code §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.

- 7.13.12 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.

7.14. Travel

The Texas Lottery does not reimburse for the Successful Proposer's travel-related expenses for regularly held meetings at Lottery Headquarters. If the TLC requires the Successful Proposer to travel, for sponsorship activation or any other reason requested by and pre-approved by the TLC, actual travel costs will be reimbursed pursuant to Texas State per diem rates. Approved travel expenses shall not be reimbursed without aprior approved estimate.

We have read, understand, and will comply.

7.15. 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.



7.16. 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 in advance 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.

7.17. Media Review

The Texas Lottery, in its sole discretion may conduct media reviews to ensure compliance with the Scope of this RFP. The Successful Proposer shall comply with any media review conducted by the Texas Lottery, or it’s designee.

We have read, understand, and will comply.

Our media team has extensive experience working with media vendors across the state of Texas. Our media planning and buying team, specifically, Shelly Wright, bring over 25 years of experience working with various vendors across the state of Texas and will be responsible for managing meetings with TLC vendors throughout the life of the project. Shelly will confirm approval with TLC in advance of meeting with media vendors and will provide logistical information to TLC in order for any stakeholders to attend the meeting, as needed.

Sensis’ HUB partner, **Delta Media** currently works with TLC and is experienced in placing their media throughout the state of Texas.

Following meetings, Shelly will provide high-level takeaways and updates to the TLC stakeholders through a preferred format (i.e., PowerPoint, PDF, or Word document) and will be available to present next steps and recommendations per the meetings with vendors. Once approved by TLC, Shelly will work closely with our Traffic Manager to verify media spec and timing to align with the needs of the TLC budget.

7.18. 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.

7.19. Office Location

The Successful Proposer is not required to maintain an office in Austin, Texas. Appropriate staff will need to be available upon request to attend meetings in person at the Texas Lottery headquarters.

We have read, understand, and will comply.

Sensis maintains an office on 5540 N Lamar Blvd in Austin, Texas, where our proposed team to service the Texas Lottery Commission will be based. Our Austin-based team will be available to attend in-person meetings at the Texas Lottery headquarters as needed.





4 PART 8 – MEDIA RESPONSE

8.1. Media Plan 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 media plan that is both cost efficient and effective.

8.1.2 **Introduction.** The Texas Lottery’s product mix consists of scratch ticket games and draw games. The Texas Lottery introduces approximately ninety (90) scratch ticket games annually ranging in price point from \$1 to \$100, which account for approximately 82% of overall Texas Lottery® sales. Draw games (Powerball®, Mega Millions®, Lotto Texas®, Cash Five®, Daily 4™, Pick 3™, All or Nothing™, and Texas Two Step®) range in price point from \$.50 to \$2 and account for approximately 18% of Texas Lottery sales. Several of the draw games also offer optional purchase add-on features.

8.1.3 **Advertising Media Impact.** Past advertising campaigns have primarily supported scratch ticket families. Each scratch ticket family has large print runs and multiple tickets resulting in more market longevity and greater advertising efficiency than supporting standard individual scratch tickets. Powerball and Mega Millions draw games are promoted year-round through permanent statewide billboards. With eight (8) draw games and approximately ninety (90) scratch tickets each year, the current ad budget cannot support impactful reach for all products.

8.1.4 **The Assignment.** Each Proposer shall create and submit as part of its Proposal, a cost efficient and effective FY 24 annual media plan that is designed to increase product awareness, trial and participation by adult (ages 18+) Texans. The media plan should detail the markets, mediums, planned goals (impressions, GRPs, etc.), and flight dates utilized to reach the intended audience. The media plan must exclude agency fee costs within the allocated budget.

8.1.5 Considerations are as follows:

(a) **Media Commitments**

The following annual media commitments are required in the media plan:

- **Permanent Billboards.** Texas Lottery looks to enter into a new 2-year deal with ninety-five (95) permanent billboards throughout Texas. For FY23, this dollar commitment is \$5,778,883 inclusive of both billboard media and jackpot box vendor costs.
- **Newspaper.** Public notice of game closings run in approximately seventy (70) newspapers across the state. These insertions run monthly and are negotiated annually. For FY23, this dollar commitment is \$135,000.



(b) Media Audience

Goal is to reach Adults 18+ Texans with a media core audience of adults 18-49.

(c) Budget

The budget should include all media costs and shall not exceed \$10 million. The budget shall not exceed \$10 million and should only include all media costs. Agency fees shall not be included in this assignment.

(d) Flighting

At a minimum, flighting should include three (3) campaigns to occur September, January and May. Additional windows for campaign consideration are December and March. Texas Lottery fiscal year runs September 1 through August 31.

(e) Markets

Markets to be considered based on sales and population as well as any other factors deemed important.

We have read, understand, and will comply. Please find our response to Section 8.1 on the next page.



SECTION 8.1 – Media Response Plan

I. Media Plan Assignment

As part of our research driven approach, Sensis has evaluated the various data sources provided: the TLC Request for Proposal, and the Q&A. In addition, we have tapped into syndicated research, MRI Simmons data and Nielsen ratings data research to inform our media strategy and design the most efficient and effective media plan for TLC. We believe that media planning and buying is a mix of art and science. The research drives the science of media planning, processing changes, and reconciliation; the art of implementation, negotiation, placement and understanding consumer media behavior provides the best media mix to meet your objectives of promoting not only Texas Lottery Commission’s ticket sales, but also enhance awareness of the beneficiaries of the funds provided by the sale of both draw and scratch off tickets – Texas public education and veterans.

1. Assignment

We understand that the TLC is requesting a cross-cultural, cost efficient and cost effective FY23 media plan that is designed to increase Texas Lottery product awareness, trial and participation by adult Texans 18+. Our media recommendation should detail recommendations for market selection, mediums, planned goals (impressions, GRPs, etc) and flight dates to reach the intended audience.

2. Plan Objectives

The objectives of the plan will include:

- Increase awareness of Texas Lottery scratcher tickets and TLC beneficiaries.
- Drive ticket purchase and trial/participation in Texas Lottery games.

3. Plan Parameters

The following parameters provided by TLC will be considered as we build our recommendations.

- Flight dates: September 2023 through August 2024
- Budget: \$10M including FY23 media commitments (\$5.9M)
- Audience: Texas adults 18+ with a core audience of adults 18-49

While working on a plan to achieve your objectives, we also understand there are several important considerations which include:

- *Creative*
 - We understand that TLC will be providing creative assets for the final media plan. These assets are likely to include radio/audio, video, social and print/OOH media. We are prepared to work with our selected vendors to provide any additional assets as needed.

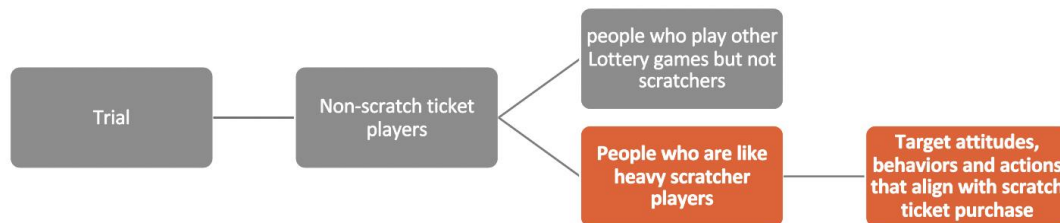


- *Existing Media Commitments*
 - Of the available \$10,000,000 budget, we understand that \$5,778,893 has been contracted by TLC and is expected to run through August 2023. We understand that Sensis will be responsible for management and payments to these vendors.
 - We understand that TLC is legally required to make Texans aware of the end of existing games and they are typically done through newspaper placements. The expected cost is \$166,000 annually.

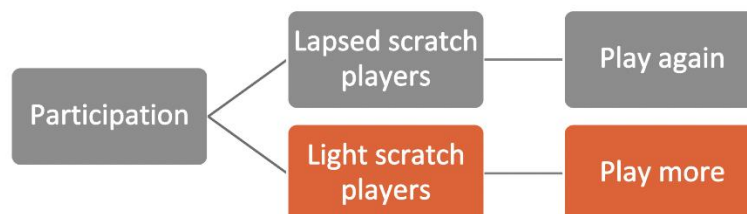
4. Target Audience Overview

Sensis conducted extensive syndicated research to identify and define the most appropriate target audiences to meet the Texas Lottery’s objectives to increase Scratch ticket sales through Awareness, Trial and Participation among defined target audiences. Using 2022 MRI Simmons Spring Doublebase data for Texas consumers, we aimed to identify the optimal targets to drive trial usage of and sales in general of scratch tickets.

Our strategy identified the optimal target for “Awareness” and “Trial” as a **look-alike** audience of current heavy scratcher players – essentially people who share a large number of demographic and psychographic characteristics with an 80% level of correlation to heavy scratcher players that DO NOT currently play scratchers. The new scratcher player audience represents a pool of potential new players, where we will focus on driving trial.



We identified **Light Scratch** players as the optimal audience to target for “Participation” in the form of overall sale, by increasing Scratch ticket sales to current light players. With these goals in mind, Sensis has identified and created two target audiences for our paid media plan: **Heavy Scratch Player Look-a-Like** audience and **Light Scratch Player** audience.



We used MRI Simmons data to identify and further delineate these two audiences. Let’s look at these two audience segments’ lifestyle/psychographic along with their demographic profiles.



NEW PLAYERS: HEAVY SCRATCHER PLAYERS LOOK-A-LIKE	LIGHT SCRATCHER PLAYERS
<p>Demographics</p> <ul style="list-style-type: none">• Live in Texas• Live in single family home• Employed <p>Psychographics</p> <ul style="list-style-type: none">• Are Optimists• Very Thrifty: Being economical is very important• Prefer to pay cash, whenever they can <p>Shopping</p> <ul style="list-style-type: none">• Heavy (9+) fast food consumers• Shop for food at Walmart Supercenter• Buy gas at convenience stores	<p>Demographics</p> <ul style="list-style-type: none">• Live in Texas <p>Shopping</p> <ul style="list-style-type: none">• Purchase more than one type of Lottery product in last 30 days• Scratch tickets are not their primary lottery product purchase / Are light scratch ticket buyer
Enjoying life: Doing things because I like them is very important to me	Seeking adventure and risk is very important to me
	Source: MRI Simmons Doublebase Spring 2022, Texas
Total Texas Population: 509,000	Total Texas Population: 426,000
	Source: MRI Simmons Doublebase Spring 2022, Texas

According to MRI Simmons, there are over 509,000 Texans in the Look-Alike segment and 426,000 Texans who are Light Scratchers players who could be purchasing more with a nudge from our media campaign and appropriate messaging.

5. Target Audience Media Habits

Based on the MRI Simmons research, we have identified media consumption habits for our Heavy Scratcher Look-a-Like audience and Light Scratcher audience. In the below chart, the scale for media consumption begins with LIGHT consumption and continues through MID LIGHT, MID, MID HEAVY and HEAVY. Following the consumption reference, we have also added some specific tactic highlights that are of particular interest to each group.



MEDIA CONSUMPTION	New Players: Heavy Scratcher Look-a-Like	Light Scratcher
Buying Audience	Adults 18-49 emphasis on 35-49	Adults 55+ emphasis on 55-64
Television	MID Spanish TV Streaming: Netflix	MID HEAVY Streaming: Netflix, Hulu, Amazon Prime
Radio/Audio	HEAVY Listen via cell and radio Streaming: Amazon, Spotify	MID LIGHT Listen via radio Streaming: Local AM/FM stations, Pandora
Internet	HEAVY News sites: Fox, USA Today	LIGHT
Social	HEAVY Sites: Reddit, TikTok, Twitter, YouTube	HEAVY Sites: Facebook/Instagram
Out-of-Home	HEAVY Tactics: Billboards, Gas Station, Grocery and C-Store	HEAVY Tactics: Billboards, In-Store

We will use these consumption habits to guide channel selection and budget allocation based on media efficiencies.

6. Media Buying Audience

As noted above, we are recommending outreach to TLC’s requested Adult 18-49 demographic that we have identified as Heavy Scratchers Look-a-Like as well as an additional demographic we feel will further increase awareness and sales of scratcher tickets: Adult 55+ that we have identified as Light Scratchers. Our media plan will reach these audiences with mediums they already trust and engage with on a consistent basis.

- Adults 18-49 – New Players based on Heavy Scratcher Look-a-Like audience
- Adults 55+ - Light Scratchers




7. Demo Strategy

Target Texans ages 18+ with a primary core audience of adults 18-49 and a secondary core audience of adults 55+. These two groups fit the following demographic profiles:

NEW PLAYERS: HEAVY SCRATCHER PLAYERS LOOK-A-LIKE	LIGHT SCRATCHER PLAYERS
<p>Demographic Profile:</p> <ul style="list-style-type: none"> • Age: 18-49 (sweet spot 35-49) • Evenly Male/Female • Married (51%), 27% never married • Ethnicity: White (52%), Hispanic (40%), Black (8%), • Employed, sole wage earner (80% work full-time) • Live in A & C Counties • Many work in Service industry (33%) 	<p>Demographic Profile:</p> <ul style="list-style-type: none"> • Age 55+ (sweet spot: 55-64) • Slight male skew • Married or widowed • Ethnicity: White (47%), Hispanic (30%), Black (23%) • Employed: 55% full-time, 26% retired • Live in A, B Counties • Many work in Service industry (20%) • 11% Veteran or parents of child serving in military

We created two personas that demographically bring the two target audience segments to life below:

HEAVY SCRATCHER PLAYER LOOK-ALIKE



Camila

Happy Go Lucky

“ If it isn't fun, why do it? ”

40 y/o

Duncanville, TX

Middle School Administrator

ABOUT CAMILA

DRIVES

2017 Toyota RAV-4

FAVORITE TV CHANNEL

Lifetime

EDUCATION

Navarro College / Associate Degree

FAVORITE ACTIVITY

Shopping

Camila is someone who tries to enjoy life as much as possible. For instance, she just turned 40 last April and to celebrate this milestone birthday she and her husband spent the entire week in Cancun just eating and soaking up the sun. She also loves her job as an administrator at Byrd Middle School and prides herself on getting to know all the kids each and every year. An avid church goer, Camila's faith is very important to her. In fact, she met her husband at church. In addition to going every Sunday, they both still attend weekly bible study classes together.

Camila has a small but tight knit group of friends - most of whom she met through church. They try to get together at least once a week. They usually go shopping and then have dinner at either Whataburger or Raising Caines - where their husbands often join them. Overall, Camila's believes her optimistic approach on life has served her well. She's happily married, loves what she does for work, and is always up for a new adventure.

SOURCES OF INFLUENCE

1. Friends and Coworkers
2. Family Members
3. Social Media
4. Magazines

MEDIA CONSUMPTION

TELEVISION

Netflix

Spanish TV

SOCIAL MEDIA

Reddit

TikTok

Twitter*

YouTube

MUSIC & RADIO

Spotify*

Pandora*

ATTITUDES ABOUT MONEY/FINANCES


- Prefer to pay with cash
- Believes they're good at managing money
- Wants to save money as much as possible when shopping
- Is economical

GENERAL ATTITUDES

- Self-assured, confident, secure, and optimistic
- Seek out variety in everyday life
- Often desire excitement in life





LIGHT SCRATCHER PLAYER




Jerry

The Casual Scratcher


 56 y/o


 Lubbock, TX


 Shipping & Receiving Manager


“ When I play, which isn't all that often, I like scratchers. They're something to do. And hey, who knows? ”

ABOUT JERRY

 **DRIVES**
2020 Silverado Texas Edition

 **FAVORITE SHOW**
Yellowstone

 **Education**
Texas Tech University

 **5 YEAR PLAN**
Pay off the house

Jerry is a 56-year-old warehouse manager in Lubbock Texas. He likes his job and has been with the company for 15 years now. He keeps his warehouse guys moving at a good pace and even joins them sometimes for their fifteen-minute smoke breaks. His drive home is his time to unwind. A couple times a week, Jerry stops for gas, a Gatorade, and on occasion - a scratch ticket. He doesn't really expect to win, but he figures why not. Playing Scratch cards has become somewhat of a ritual with Jerry and his wife. Therefore, he makes sure to wait until he gets home and never scratches the ticket without her by his side. When the guys at work ask him why he plays, he laughs and asks them what their backup plan is.

SOURCES OF INFORMATION & INFLUENCE


1. Coworkers
2. Friends
3. Facebook
4. Family


ATTITUDES ABOUT MONEY/FINANCES

- Financially, I am worse off than I was a year ago.
- The economy is going to be worse a year from now.
- I'm a spender rather than a saver
- Money is the best measure of success


MEDIA CONSUMPTION


STREAMING TV

 Netflix


 Hulu


SOCIAL MEDIA

 Instagram

 Facebook

RADIO

 Terrestrial Radio

 Pandora

GENERAL ATTITUDES

- In times of need, I turn to my friends, not my family
- I often find myself in leadership positions.

8. Geographic Strategy

Sensis developed a custom geographic market weighting model to determine the proper media budget allocation across 20 Texas DMAs we'll be focusing the media campaign on. Our geographic weighting model utilized 2021 market-level sales data from the TLC combined with adult and two target segment population data by DMA to determine sales “saturation” levels.

Sensis designed a custom geographic market weighting scale using the cross section of four data points and weighted them to provide a better picture of which markets might be most receptive to our message and ultimately increase Scratcher ticket sales.

- Unaudited 2021 Lottery Sales by Market
- “Look-alike Heavy Scratcher” and “Light Scratcher” target audience population by DMA
- Total Adults 18+ population by DMA
- Total Adults 35-74 population by DMA

For our topline budget, we will use these figures to set our budget allocation to reach all Texas markets.



Geographic Market / DMA	Initial Geographic Market Allocation	Revised Geographic Market Allocation - Saturation Adjusted
Dallas	29.5%	29.5%
San Antonio	18.9%	18.9%
Houston	6.7%	6.7%
Austin	5.2%	5.2%
El Paso	2.3%	4.2%
Waco-Temple-Bryan	7.0%	4.2%
Tyler-Longview	4.9%	3.9%
Harlingen-Wslco-Brns	3.6%	3.6%
Shreveport	1.7%	3.1%
Amarillo	2.2%	3.0%
Beaumont-Port Arthur	2.8%	2.8%
Corpus Christi	3.9%	2.8%
Lubbock	2.0%	2.0%
Odessa-Midland	3.0%	2.0%
Abilene-Sweetwater	1.9%	1.9%
Wichita Falls	0.9%	1.8%
Sherman-Ada	0.7%	1.5%
Laredo	1.1%	1.4%
San Angelo	1.0%	1.1%
Victoria	0.7%	0.7%

Also, based on these figures, we identified “undersaturated” markets where Texas Lottery sales were low on a per capita basis vs. “oversaturated” markets where Texas Lottery sales were high on a per capita basis. We assumed that Undersaturated Markets had more potential for incremental scratcher sales, versus Oversaturated Markets with less potential for new player growth.

Undersaturated Market = more opportunity	Oversaturated Markets = less opportunity
El Paso	Waco-Temple-Bryan-Killeen
Shreveport-Texarkana	Tyler-Longview
Amarillo	Corpus Christi
Wichita Falls	Odessa-Midland
Sherman	
Laredo	

Our media plan will reach all Texas markets with digital advertising, but this saturation level information will guide our DMA recommendations for radio and out-of-home tactic placements providing extra support for markets that are not currently spending what they could. Search ads will run statewide for the full year.



For our Heavy Scratcher Look-a-Like audience, we will run digital statewide and the below out-of-home and radio tactics in the following markets:

- Grocery TV – Amarillo, El Paso, Laredo, Sherman, Texarkana and Wichita Falls
- C-Store Posters – Amarillo, El Paso, Laredo, Sherman, Texarkana and Wichita Falls
- Gas Station TV – Amarillo, El Paso, Laredo, Sherman, Texarkana and Wichita Falls along with Dallas-Fort Worth and San Antonio
- Radio – Amarillo, El Paso, Laredo, Sherman, Texarkana and Wichita Falls along with Houston

For our Light Scratcher audience, we will run digital statewide and the below out-of-home tactics in the following markets:

- Grocery TV – Abilene, Austin, Beaumont-Port Arthur, Harlingen-McAllen, Lubbock, San Angelo and Victoria
- C-Store Posters – Abilene, Austin, Beaumont-Port Arthur, Harlingen-McAllen, Lubbock, San Angelo and Victoria
- Gas Station TV – Abilene, Austin, Beaumont-Port Arthur, Harlingen-McAllen, Lubbock, San Angelo and Victoria

These plans provide statewide coverage with digital tactics and hits nearly all of the state of Texas with Radio and/or additional Out-of-Home media on top of the currently contracted billboards and newspaper placements.

II. Media Strategy

Our overarching media strategy, per TLC's request, will focus on increasing Scratcher ticket awareness, trial and sales among two audiences:

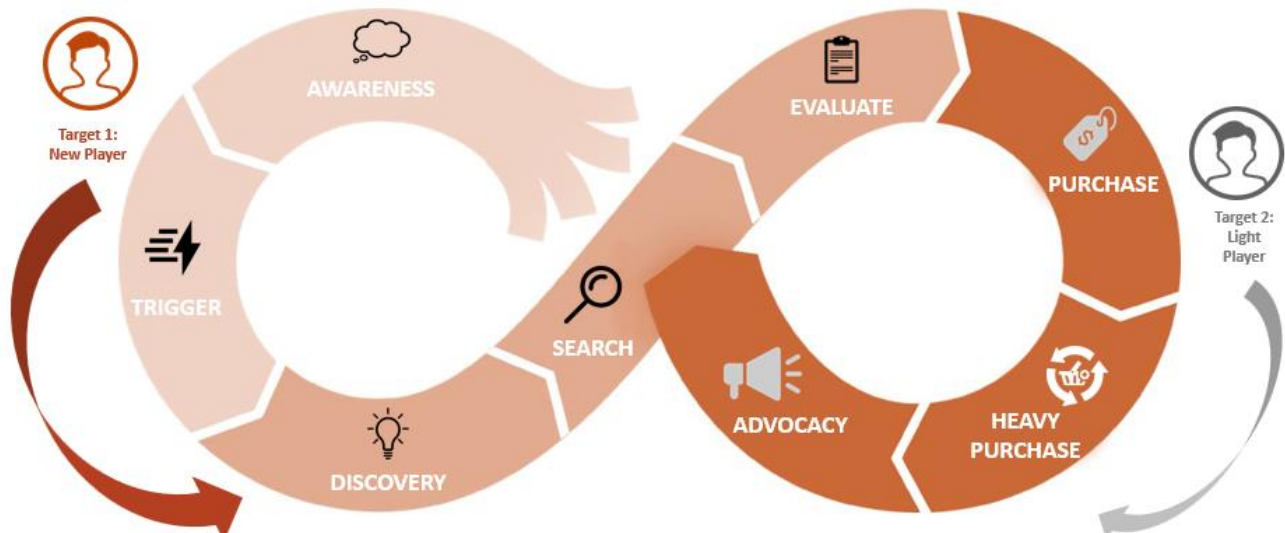
- Creating a look-a-like audience by replicating identifying behaviors and similar demographic factors for those who are Heavy Scratchers but are not currently Heavy Scratchers
- Identifying Light Scratchers and encouraging more purchases for them.

We developed a media strategy based on customer journey campaign model, which focuses on the entire customer journey and identifies the appropriate media tactics for each step in the customer journey.



PAID MEDIA USER JOURNEY STRATEGY

Paid media will be used to reach our two targets and move them along the user journey to purchase and loyalty.



As noted in the Target Audience Media Habits section, we identified media tactics and preferences for each audience based on where they are in the customer journey. We will use these tactics to reach our audiences in media where they engage at stages of their journey in scratcher ticket purchase. We will speak to flighting and channel allocation in the following sections.

III. Flighting Considerations

We based flight dates around the information TLC provided in the RFP: September, January, May and December and March if possible. We also noted that the first of the month is typically when more scratcher ticket purchases are made (when many consumers just got paid!).

We have planned for ALL media tactics to run during the full five months requested – September, December, January, March, and May – allowing us to make sure both target audiences are receiving the greatest reach and frequency during your selected flight dates. And as noted above, Search will run year-round to provide immediate information for those who are seeking it.



Month	General Market	Hispanic	African American
September	9/5 - Labor Day	9/15-16 - Día de la Independencia (Independence Day) 9/15-10/15 - Hispanic Heritage Month	
December	12/24-12/25 - Christmas Eve/Christmas 12/31 - New Years' Eve	12/12 - Día de la Virgen de Guadalupe (Day of the Virgin of Guadalupe) 12/15-12/25 - Navidad y las Posadas (The Christmas Season) 12/31 - Año Nuevo (New Years' Eve)	12/1 - Rosa Parks Day 12/2 - International Day for the Abolition of Slavery 12/26-1/1 - Kwanzaa
January	1/1 - New Year's	1/6 - Día de Reyes (Epiphany/Three Kings Day)	1/5 - George Washington Carver Day 1/21 - Martin Luther King Day
May	Second Sunday - Mother's Day 5/30 - Memorial Day	5/1 - Día del Trabajo (Labor Day) 5/5 - Cinco de Mayo/Batalla de Puebla 5/10 - Día de las Madres (Mothers' Day)	5/17 - Anniversary of the School Desegregation Ruling 5/25 - African Liberation Day Third Sunday - Malcolm X Day

IV. Channel Selection

We have carefully selected these media channels based on the MRI Simmons media consumption data for both target audiences as well our geographic saturation recommendation. This allows us to not only choose tactics, but also how and where they will air in Texas to have the greatest effect. We will work with TLC to create and tailor message appropriate for each channel for optimal performance.

1. Internet/Digital Recommendations



Paid Search/Google Display Network - *The Power of Google* -

As a certified Google Partner, Sensis has harnessed the Power of Google by working day in and day out with their search and display network platforms, video platform (YouTube), and navigation (Waze). For Texas Lottery, we will tap into Google's suite of tactics to leverage their vast data pool of over two million sites and apps to define audiences and create target ad segments to deploy across the Google-verse placing both Search responsive ads, as well as banner and video placements. Google Display Network

(GDN) offers the ability to have messaging appear on a wide variety of websites across the internet as their network reaches 90%+ of people online. GDN provides a cost-efficient display



tactic that unlocks Google’s vast data pool of over two million sites and apps to reach users throughout the web, across all devices. GDN can target specific audiences based on behaviors, interests, specific websites, or topics that drive high engagement and clicks. In addition to be GDN being highly efficient, it also performs much better when tied to a Google Search campaign. In fact, ComScore has reported an average 40% lift in site visitation and 40% lift in brand search queries when running display and search campaigns together. We will run responsive text ads on Google Search and banner ads on Google Display Network (GDN) throughout the year with push during our flight months.

Ethnic Digital Partners - Sensis has developed a stable of vendors that are constantly in tune with the ethnic/diverse/lifestyle groups in Texas: Hispanic, African American, Asian (multiple languages) and LGBTQ+. We will leverage these partnerships with our digital partners to reach these vital audiences in-language and in-context with digital display ads and digital video for the Hispanic and African American population throughout the flight months.

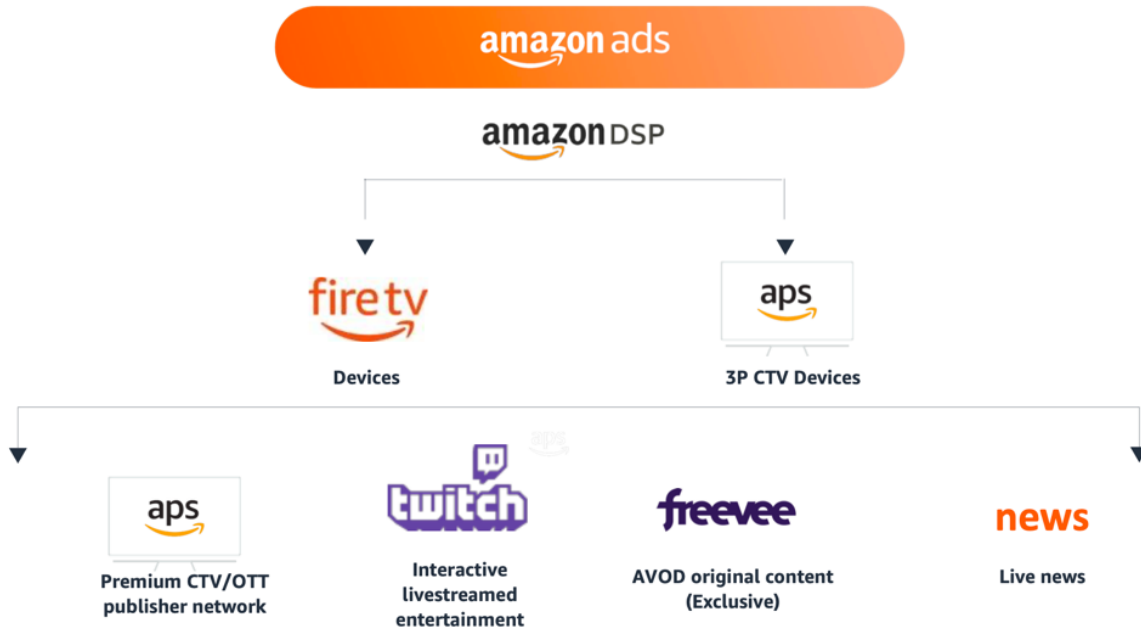
Digital Video including YouTube, OTT/CTV - By harnessing **YouTube’s** ability to reach audiences at scale, our digital video approach will showcase Texas Lottery scratchers and beneficiaries' awareness messages to our audience that select YouTube for video content across Music, Gaming, and Lifestyle verticals. We recommend using YouTube’s proprietary video placement TrueView In-Stream, which builds awareness by playing 15-second and 30-second videos as pre-roll and mid-roll videos.



These videos will live across all devices that can run YouTube, and mobile, tablet, and desktop devices will feature a companion banner that allows viewers to click the call-to-action and learn more about these scholarships. In addition to YouTube TrueView placements, we also recommend placements on YouTube’s **Connected TV (CTV)** platform. These placements will reach our audience while they are consuming programming they truly engaged in – their favorite TV shows, limited release series, movies, etc via their television sets.

As digital media buyers – and as consumers ourselves – we are excitedly awaiting the launch of more paid video placements, specifically on **Netflix** and **Amazon!** We are already in talks with representatives for each and have allocated budget for them in this media plan based on early information from them. Netflix and Amazon ads offer an opportunity for our ads to appear on platforms with proven premium content and a base of viewers who tend to watch on the largest screens in their home. Amazon owns Freevee (formerly IMDbTV) as well as offering Live News and relationships with premium publishers. Additionally, as with other premium content, Netflix and Amazon platforms have access to login information (like names, ages, and email addresses) as well as behaviors and interests of their platform's users.





2. Out-of-Home Recommendations

Billboards (contracted) - As we noted, we understand that TLC is already contracted for 95 billboards spread across the State of Texas. We also understand these boards are focused on the draw games and will stay as such.

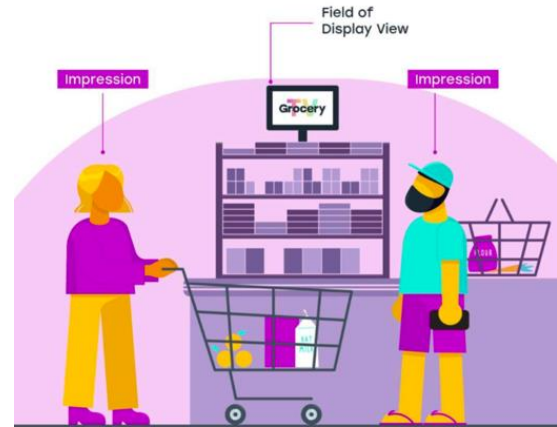
Gas Station TV - In addition to contracted billboards, we will intercept Texans at key touchpoints in their weekly routines by featuring TLC's video messaging at the gas pump where they are likely to purchase scratcher tickets. In the setting of an uninterrupted 3-to-4-minute window, our messages remind our audiences that they can purchase a ticket right inside. By leveraging digital audiences (1st / 3rd party) plus location data to deliver optimized media plans we will reach specific audience segments, target desirable audience profiles, and improve recency and proximity as we know consumers will be getting back on the road after their visit to the gas station. Targeting capabilities at the gas station level allows for ultimate customization of messaging by audience segment (Look-alike, Light Scratch player) and ethnicity (Hispanic, African American). For TLC's campaign, we will run GSTV nearly statewide for the five-month flight months noted.

In a recent campaign for the CDC through GSTV's brand lift study, we found that 2 of 3 viewers recalled the CDC message, 65% were likely to visit the appropriate website and 44% intended to seek out the directive presented in the creative.

Much like Gas Station TV, Sensis looked to additional out-of-home options that are also points of purchase locations for Texas Lottery scratcher tickets. Two additional options provide point of purchase reminders to buy their Scratch tickets during their regular shopping trips and before they head home.



Grocery TV – Grocery TV’s AI-enabled camera technology captures impressions in real time, so that you know exactly how your campaign is performing. The video screen placement leverages high-traffic in-store locations – everyone who wants to buy anything at the store MUST go through the checkout line! Ad lengths are between 6- and 15-seconds in the same ratio that we will use for other digital video placements.



C-Store Posters – Convenience stores are at the center of daily life for many Texans, especially our two target audiences. For this placement, we looked to the framed posters that are placed on the exterior walls of convenience stores – reaching customers before they enter the store as well as pedestrian traffic. In a study by Carroll Media, nearly 90% of respondents indicated seeing a c-store ad makes them more likely to purchase the advertised product.



3. Radio/Audio Recommendations

Broadcast Radio – Local radio stations play an important part in building and maintaining a connection between the communities they serve. They provide a positive touchpoint for entertainment, news/information, and their favorite music. Radio is built for frequency allowing your message to be heard by listeners multiple times throughout



the day. We will run 2-week schedules during each flight month, the general market for our Heavy Scratcher Look-a-Like audience.

AM/FM streaming and Streaming services including Pandora, Amazon and Spotify - Streaming Audio is an important avenue to target our audiences based on their audio consumption habits. With streaming platforms, our audiences can discover new music, which they often share with their friends.

Through partnerships with **Katz Digital Audio** platform that reach listeners of a wide swath of audio/radio groups including **Spotify**, leverage both 1st-party and 3rd-party data to reach specific demographic profiles along with interest-based segments and relevant music genres. In addition to reaching General

market listeners, Katz also has special targeted segments to reach Hispanics and African Americans. As our research showed, **Pandora** and **Amazon** are also important touch points for them. Amazon controls much of the audio inventory that is available through Alexa-enabled devices, so we can run across Spotify, Pandora, and other audio platforms through Amazon ads. Sensis is already in talks with them about best practices for placement. As such, we have allocated budget for both Pandora and Amazon for this recommendation. Recommended placements include 30-second audio advertisements as well as companion display banners.



4. Social Media Recommendation

Paid Social - Social media platforms will amplify our other paid media tactics as an extension and reflection of our targets' personal brand. Social distancing has increased our target audiences' craving for connection, and they often flock to social media platforms to feel connected. Utilizing a robust and targeted mix of social platforms, our buy will capture potential ticket buyers in the spaces they visit daily while leveraging audience, geographic, interest, and behavioral targeting. We “pull the strings” on social sites, so we





can optimize budgets throughout the campaign based on individual platform success. Based on the MRI Simmons research, we recommend strong placements on our audience’s preferred platforms: Reddit, Facebook/Instagram, and Twitter.

5. Campaign Media Summary

Our proposed media campaign is summarized by media channel for each target audience:

Media Tactics	Heavy Scratcher Look-a-Like Audience	Light Scratcher Audience
Digital Banners	Google Display Network, Ethnic Partner	Google Display Network
Streaming / Digital Video	Ethnic Partner, YouTube, TikTok, Netflix	Amazon, Netflix
Radio/Audio	Radio, Amazon, Katz Streaming (General, Hispanic, African American)	Pandora, Amazon, Katz Streaming (General, Hispanic, African American)
Social	Reddit, Twitter	Facebook, Instagram
Out-of-Home	Grocery TV, Gas Station TV, C-Store Poster	Grocery TV, Gas Station TV, C-Store Poster
Search	Google Search	Google Search

Our proposed media campaign will effectively reach each of our proposed target segments along each step in their user journey, as summarized here:





V. Budget Allocation

Sensis leveraged our research of the audience and media tactics available to inform our budget allocation in such a way to maximize impressions across the state of Texas and to maximize placements in areas where we believe the greatest growth can be found.

Our proposed media mix will provide an overall **96.3% reach** and **24.1x frequency** for Texans 18+.

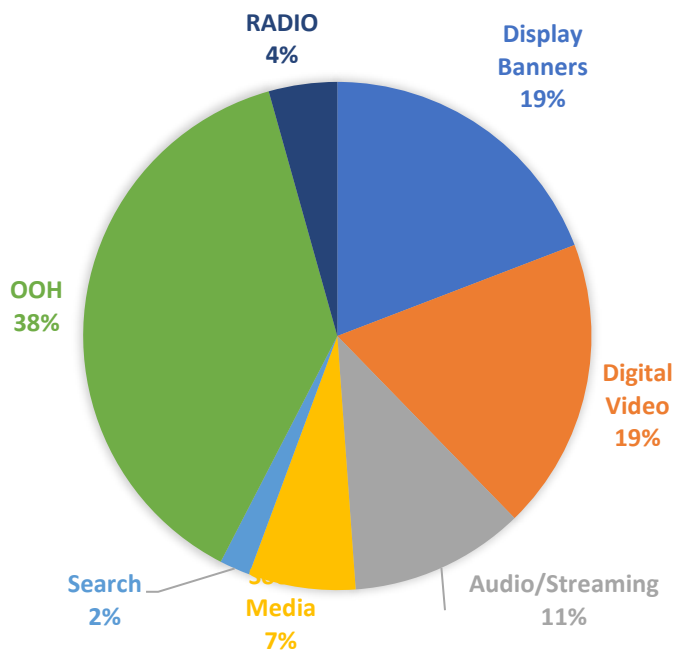
All the media tactics outlined below in the budget allocation chart will work together to reach our target audiences across the multiple geographic locations and on the media they consume.

Campaign flying will correspond with media tactics to reach out audience at various points of their day. Whether that is on the radio and ads at point-of-purchase placements on our out-of-home tactics while they are running errands in their car, on display while they are online at work or on cell phones, on social media while they are relaxed at home and looking for news/social content. All tactics will allow us to be in the areas where our audiences are looking for more information on games online and on a larger scale with out of home outdoor advertising to reach the audience broadly.

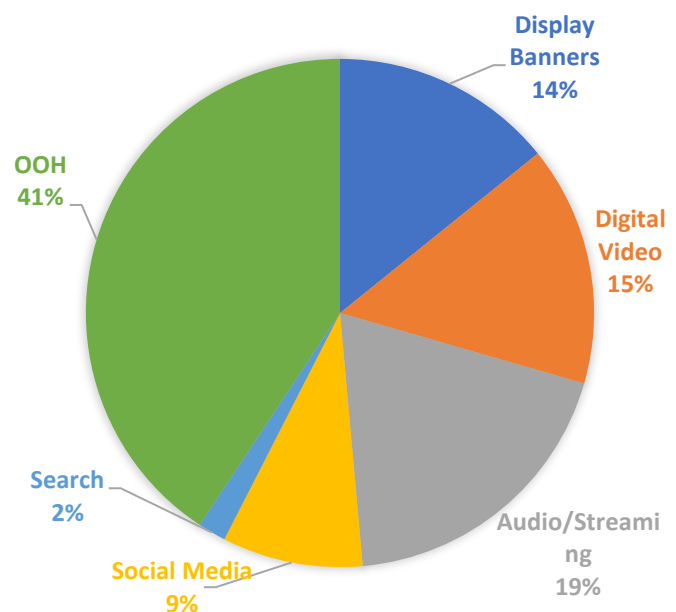
**MEDIA MIX: New Players: Heavy Scratchers
Look-a-Like Audience**

MEDIA MIX: Light Scratchers Audience

**BUDGET ALLOCATION /
MEDIA MIX**

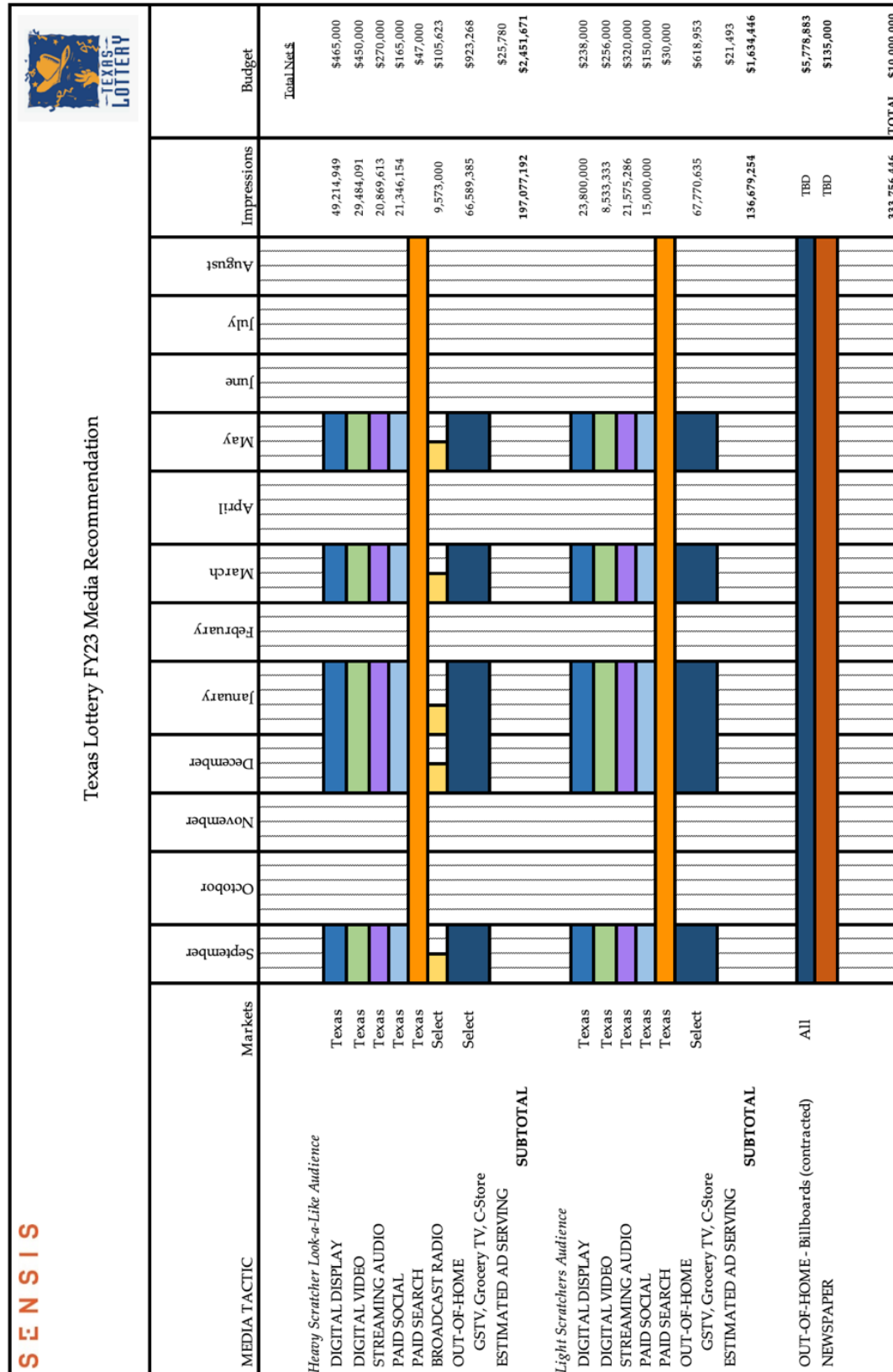


**BUDGET ALLOCATION /
MEDIA MIX**





VI. Media Flowchart – FY23 Media Recommendation





7.3.3 *Evaluation of Campaign Effectiveness.* The Texas Lottery has provided resources in Section 1.1.2 for use by Proposers in completing the Annual Media Plan assignment. Proposers are encouraged to conduct additional quantitative and qualitative analysis. The response should include media plan support as well as any examples or case studies related to the assignment. Lastly, the proposer is to provide methods used to evaluate campaign effectiveness during and/or post campaign and stewardship procedures.

We have read, understand and will comply.

Sensis uses multiple methods to monitor, track, and measure the effectiveness and efficiency of media campaigns to meet the planned communication goals.

Sensis provides complete media buying solutions and manages over \$25M in annual media spend for our clients. We align our media team with best-in-class-programmatic tools to run and optimize campaigns and achieve our clients' media goals.

SALES ANALYSIS

In addition to fiscal year reporting and audit requirements, Sensis will provide sales analysis by promoted product and media market on an ongoing basis. To further measure success for TLC's campaign, we want to look, at in-person draw and scratch game sales by DMA and through the Lottery website and compare those to the in-market media tactics to guide us throughout the campaign. This will allow us to find a measurable return on investment. These analyses will be provided via our Ad Effectiveness system, shared on the customized Texas Lottery KPI dashboard, and included in post-campaign reports at the end of each campaign.

BRAND MEASUREMENT

Given one of the key objectives is brand awareness of the Texas Lottery, Sensis can implement a brand tracker study to measure campaign effectiveness across media. In addition, Sensis will seek added value brand studies from media partners to support campaign awareness tracking.

MEDIA REPORTING

Critical to ensuring success of campaign performance, Sensis will provide timely reports that include Impressions, Clicks, CTR, CPC, VCR and other metrics for the digital campaigns. We will also track Texas Lottery website metrics like "stickiness" and site interaction to dive into mind set of those that recently purchased tickets.



Sensis will steward Texas Lottery advertising dollars and implement many tactics for monitoring and tracking that all media that is purchased is being efficiently and effectively deployed. The methods are and will continue to be implemented to ensure campaign performance:

- **Broadcast Stewardship: Weekly pre/post logs and daily Overnight ratings analysis, re-rates before and during flights, upgraded make-goods, in-flight bonus to ensure delivery, strict monitoring to ensure all guidelines are met and credits issued as needed. All stations to sign off on buying guidelines prior to placing orders.**
 - **All buys are posted off Nielsen measurement data and each market/station must deliver within guidelines (LPM/PPM Markets = 95-105%; Metered/Diary Markets = 90-110%) or compensatory weight is owed. Rationale is provided for allover/under-deliveries and compensatory schedules are secured with stations that underdeliver. All compensatory weight is tracked and posted to insure all GRPs are achieved.**
- **In-flight Optimization: Based on media and partner specific KPIs established by industry and brand benchmarks across all media types**
- **Reporting Cadence: Real-time via KPI dashboard, Weekly pacing reports, Mid-Campaign, Post Campaign, Year-End**
- **3rd Party Verification: Independent, unbiased systems tracking all digital media**
 - **Delivery verification: GoogleAds is our digital media ad server tracking media delivery and performance**
 - **Quality control verification: Integral Ad Science (IAS) will be implemented to confirm partner adherence to Viewability, Ad fraud, Geography standards**
 - **Audits: MMI annual reviews of all media to ensure guidelines are met and cost efficiencies are achieved; learnings are applied to improve future processes**
 - **Adherence to all brand guidelines: As established in accordance with the Texas Lottery**

AD EFFECTIVENESS

Sensis will also provide Texas Lottery with a custom Ad Effectiveness Measurement system that will utilize advanced statistical analyses to track media performance metrics to Texas Lottery sales, providing a true measure of Advertising Media performance and ROI.

In addition to measuring campaign effectiveness based on return on ad spend (ROAS) or cost-per-action (CPA), Sensis measures media attribution through a

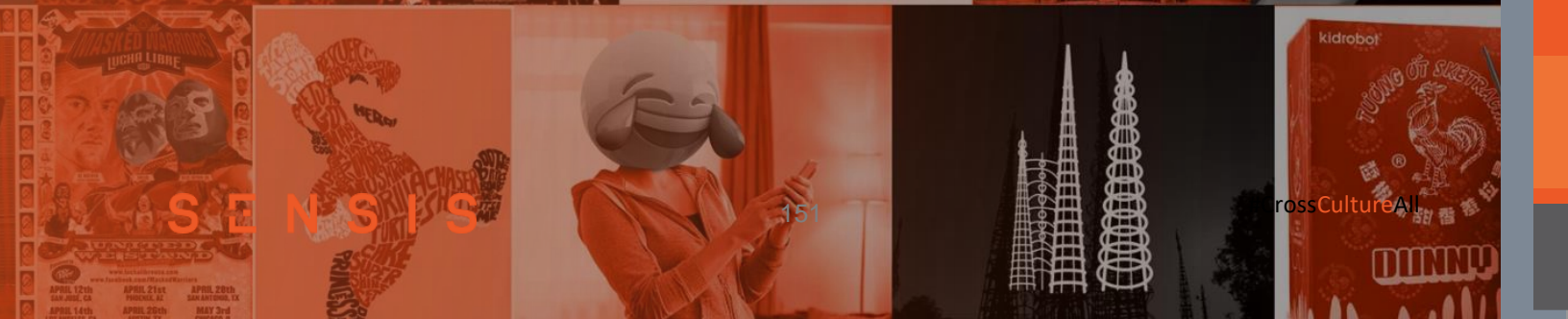


combination of in-house resources and the use of ChannelMix, a robust media analytics platform. Sensis can execute attribution measurement through rule-based models (multi-touch attribution), data-driven predictive algorithms, or spend-planning and ROI prediction. Deploying the right approach will depend on data quality and recurring data availability. Our end-to-end attribution measurement solution includes:

- Data Tracking
- Data Unification
- Data Modeling
- Data Visualization

All metrics and measurements noted will be aggregated and incorporated into a web-based KPI dashboard data visualization tool, provided to the Texas Lottery as part of the scope of our media management services.

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PROPOSER'S COMMITMENT – ATTACHMENT A

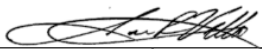


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ATTACHMENT A PROPOSER'S COMMITMENT

I hereby commit Sensis
(Company Name)

to provide the goods and services described in the attached Proposal for Advertising Media Services required by the Request for Proposals for the Texas Lottery Commission.

Signature: 

Title: President, Owner

Date: 11/01/2022



ATTACHMENT C – HUB SUBCONTRACTING PLAN

8.2. HUB Subcontracting Plan Checklist

Sensis has included one (1) original and two (2) copies of our complete HUB Subcontracting Plan Documentation in an envelope within our proposal package.



8.3. HUB Subcontracting Plan (HSP)

Sensis has included one (1) original and two (2) copies of our complete HUB Subcontracting Plan Documentation in an envelope within our proposal package.







8.4. HSP Good Faith Effort – Method A (Attachment A)

Sensis has included one (1) original and two (2) copies of our complete HUB Subcontracting Plan Documentation in an envelope within our proposal package.



8.5. HUB Subcontracting Opportunity Notification Form

Sensis has included one (1) original and two (2) copies of our complete HUB Subcontracting Plan Documentation in an envelope within our proposal package.



8.6. HUB Certification

Sensis has included one (1) original and two (2) copies of our complete HUB Subcontracting Plan Documentation in an envelope within our proposal package.



ADVERTISING MEDIA SERVICES PROPOSAL

HSP DOCUMENTATION - COPY #2

RFP No. 362-2023-0002 | November 1, 2022

SENSIS

ATTENTION: Roxanne Koltermann CTCD, CTCM
Contracts Management and Procurement
George H.W. Bush State Office Building
Texas Lottery Commission
1801N.Congress Avenue
Austin, TX 78701





TEXAS
LOTTERY®

Texas Historically Underutilized Business (HUB) Certificate



HUB

Statewide Historically Underutilized Business Program

Certificate/VID Number: 1472317735900
File/Vendor Number: 489800
Approval Date: 22-APR-2019
Scheduled Expiration Date: 22-APR-2023

The Texas Comptroller of Public Accounts (CPA), hereby certifies that

HRH OF TEXAS, LLC

has successfully met the established requirements of the State of Texas Historically Underutilized Business (HUB) Program to be recognized as a HUB. This certificate printed 26-APR-2019, supersedes any registration and certificate previously issued by the HUB Program. If there are any changes regarding the information (i.e., business structure, ownership, day-to-day management, operational control, business location) provided in the submission of the business' application for registration/certification as a HUB, you must immediately (within 30 days of such changes) notify the HUB Program in writing. The CPA reserves the right to conduct a compliance review at any time to confirm HUB eligibility. HUB certification may be suspended or revoked upon findings of ineligibility.

*Laura Cagle-Hinojosa, Statewide HUB Program Manager
Statewide Support Services Division*

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies, universities and prime contractors are encouraged to verify the company's HUB certification prior to issuing a notice of award by accessing the Internet (<https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp>) or by contacting the HUB Program at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

Rev. 06/16



BACKGROUND INFORMATION CERTIFICATION – ATTACHMENT D-1



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ATTACHMENT D-1 BACKGROUND INFORMATION CERTIFICATION

Texas Government Code §466.155

Under Texas Government Code §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 §466.155.

Sensis

(Company Name)

certifies that it has reviewed Texas Government Code §466.155 and that it would not be denied a license as a sales agent under said section.

(signature of person authorized to contractually bind the Proposer)

Jose Villa

(printed name)

President, Owner

(title)

11/01/2022

(date)



ATTACHMENT H – COST PROPOSAL

Sensis has attached our Cost Proposal in a sealed envelope within our proposal package.



ADVERTISING MEDIA SERVICES PROPOSAL

COST PROPOSAL-ORIGINAL

S E N S I S

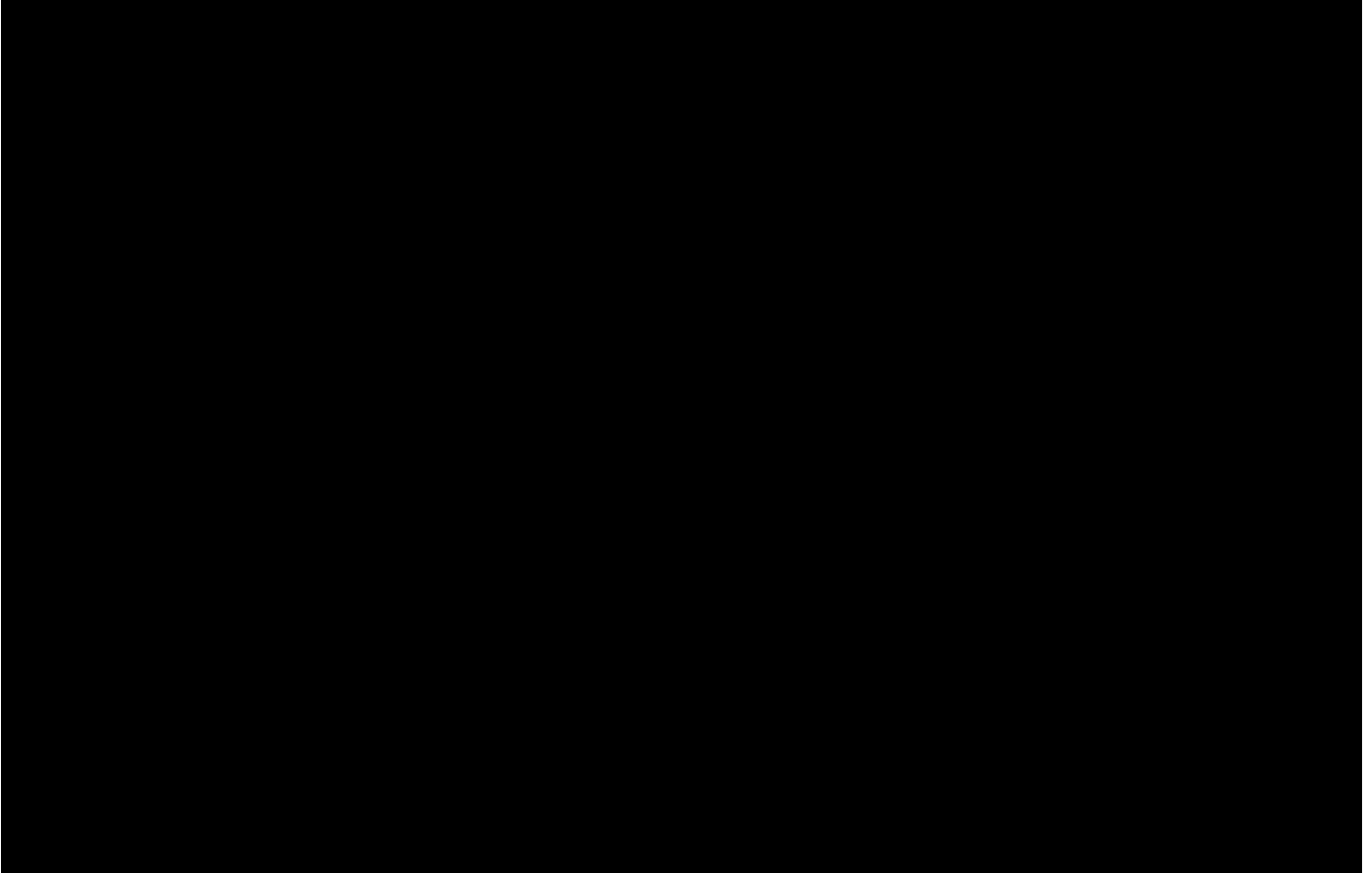
RFP No. 362-2023-0002 | November 1, 2022

ATTENTION: Roxanne Koltermann CTCD, CTCM
Contracts Management and Procurement
George H.W. Bush State Office Building
Texas Lottery Commission
1801N.Congress Avenue
Austin, TX 78701





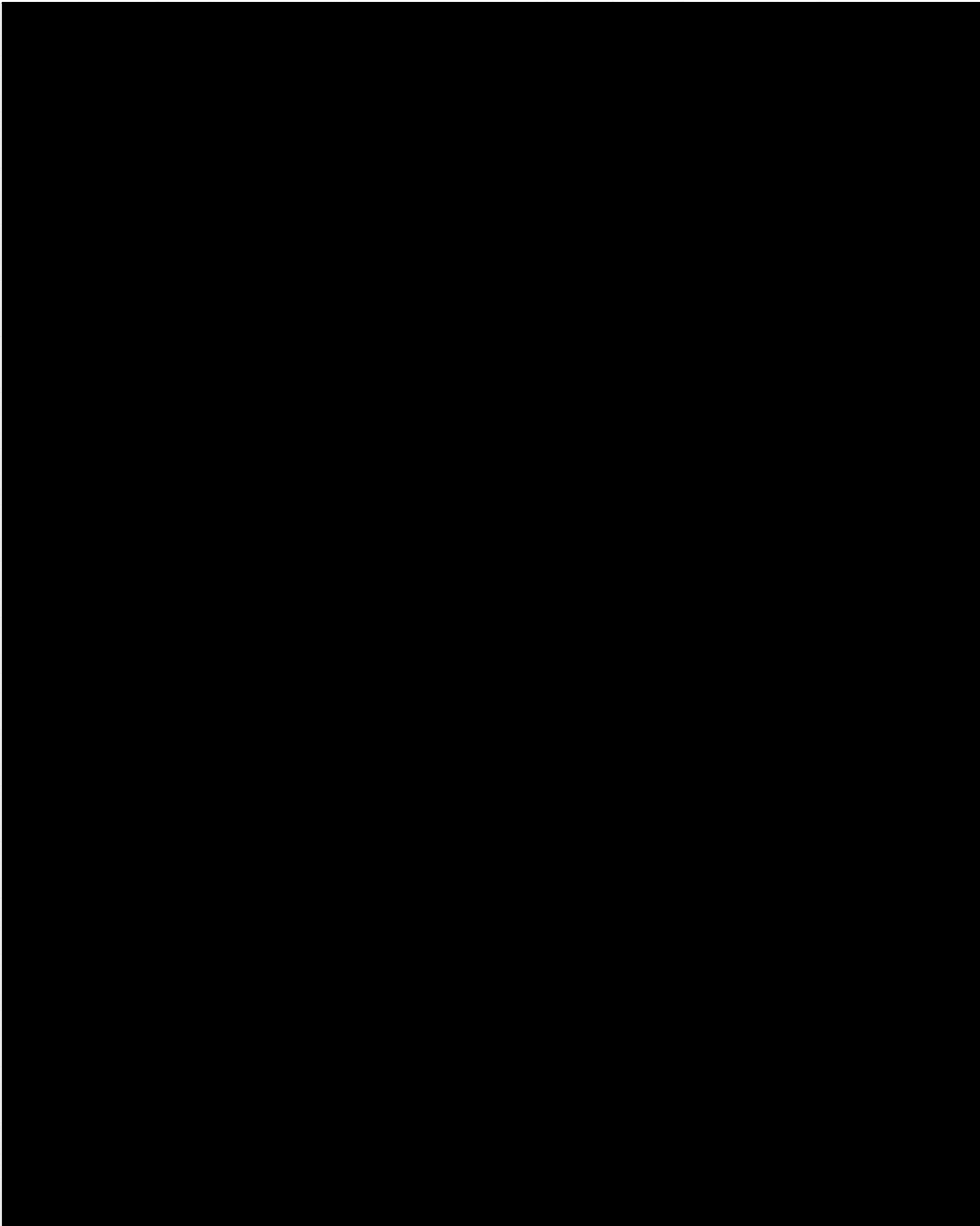
Attachment 1 – Financial Stability

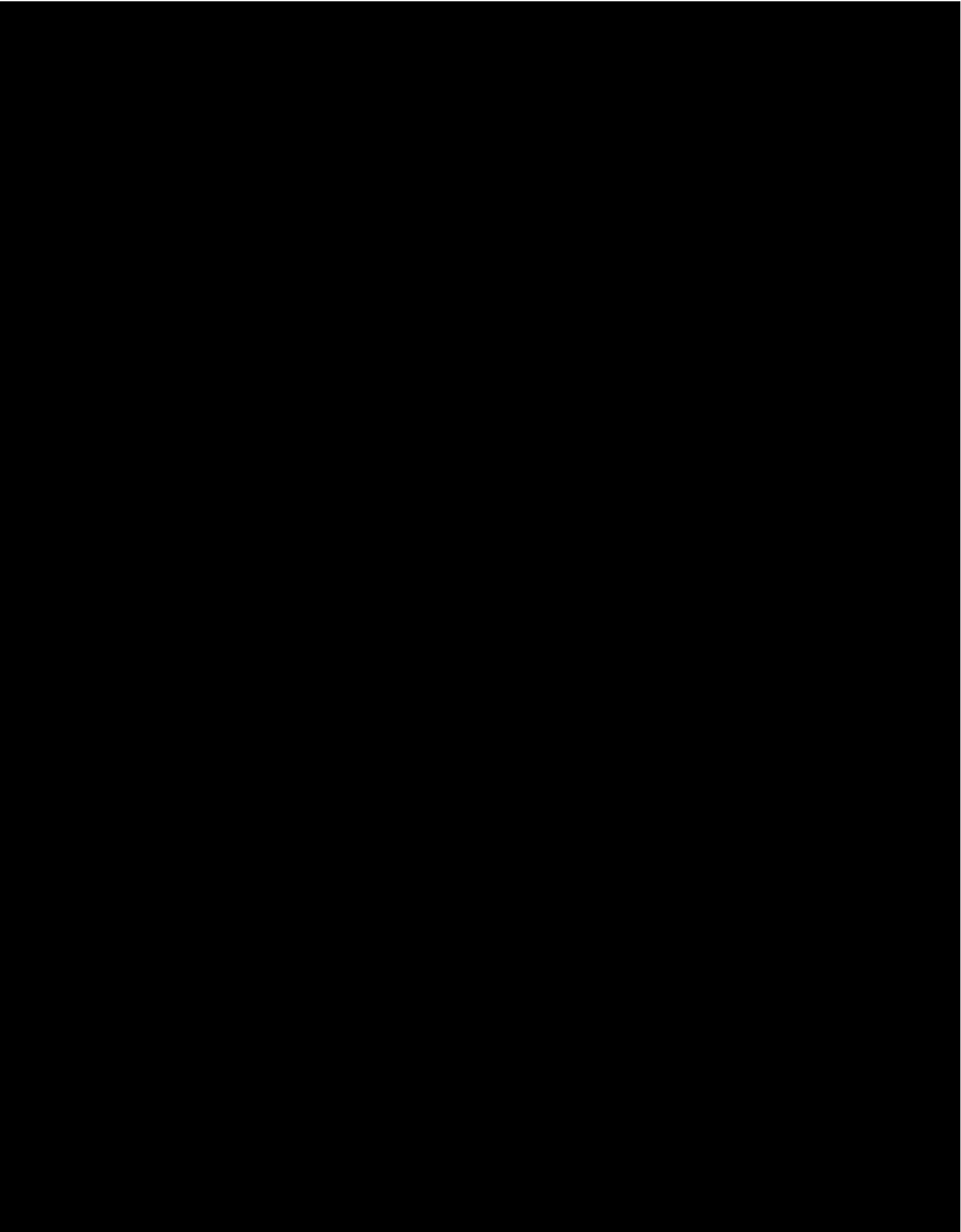


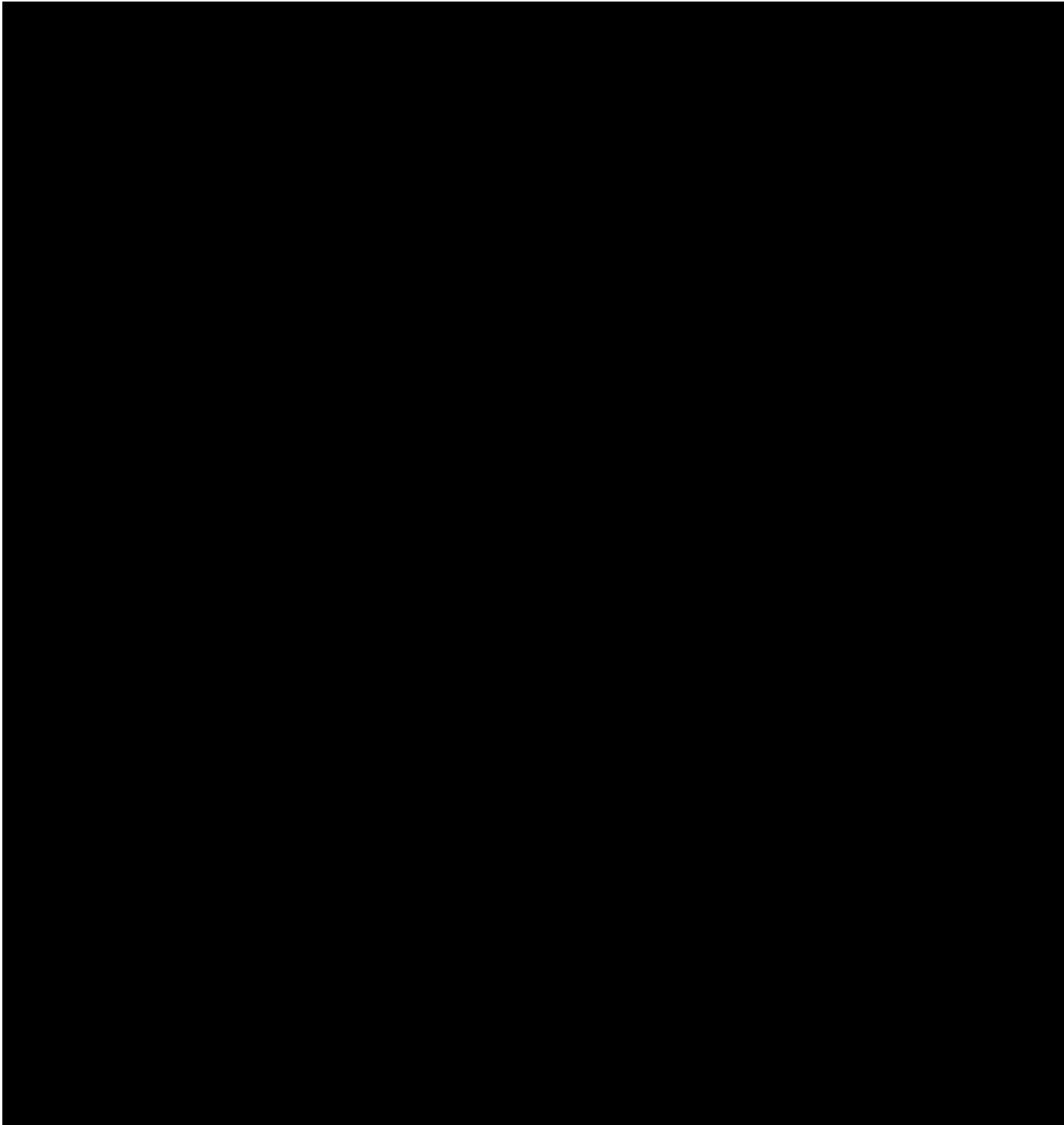
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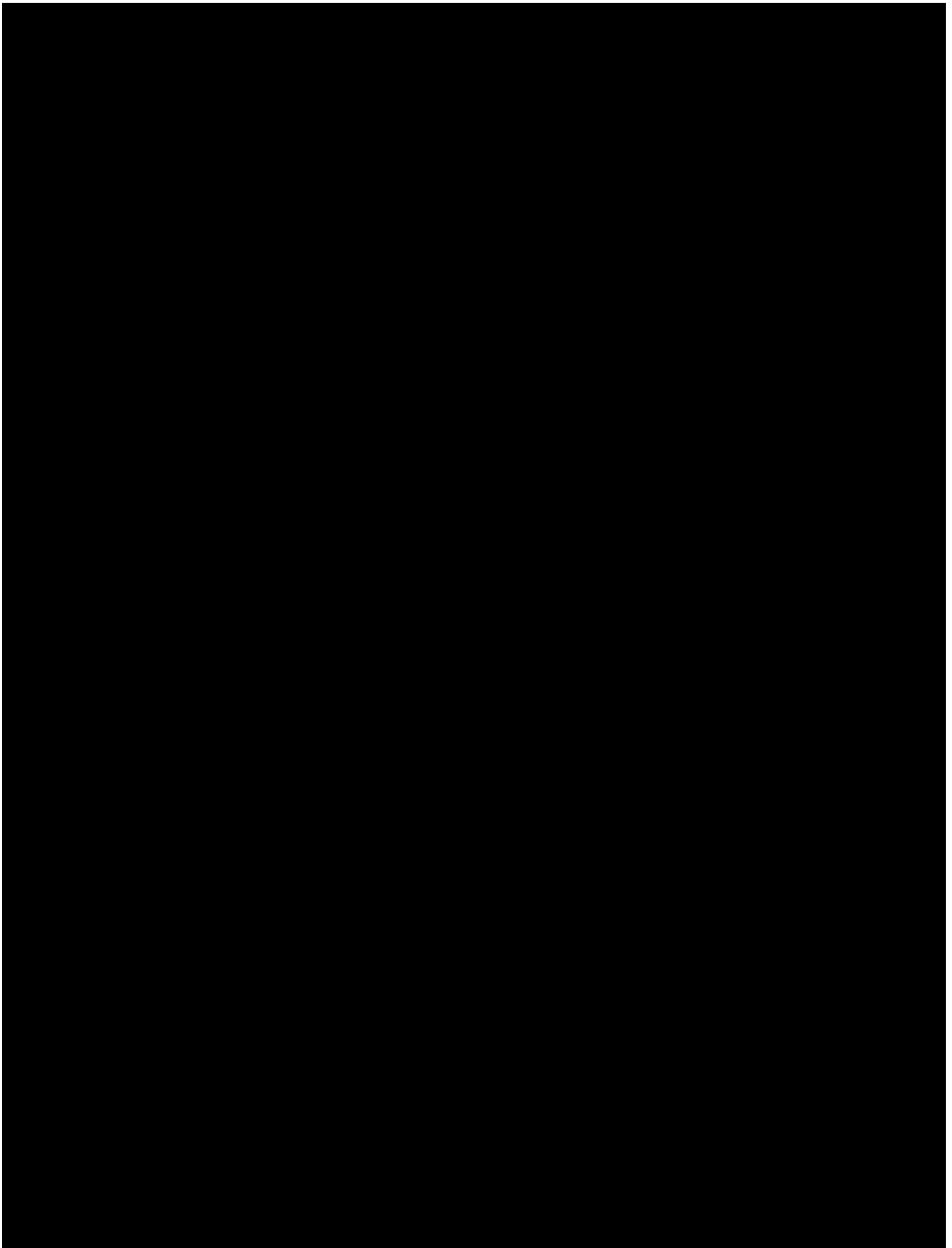
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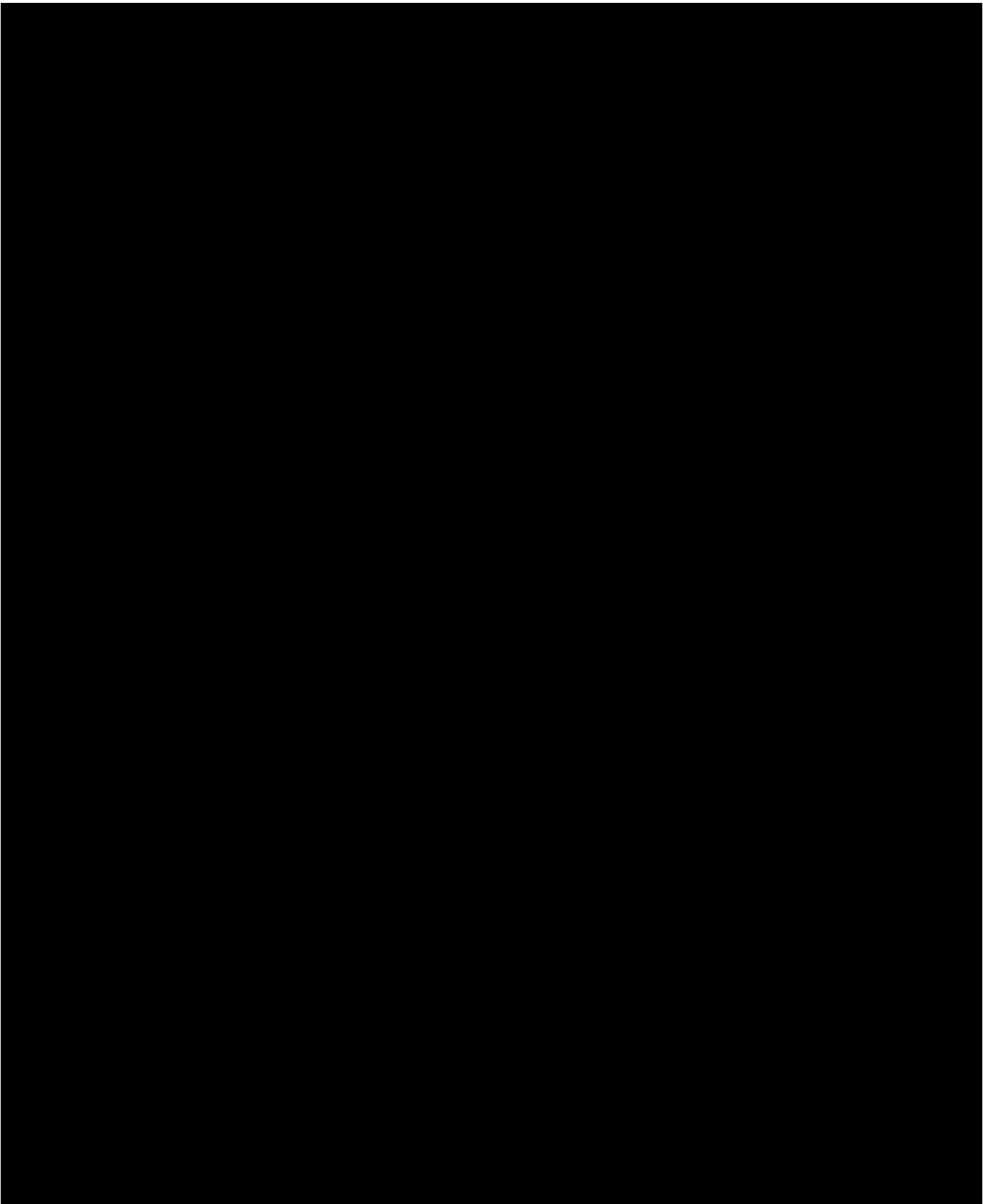
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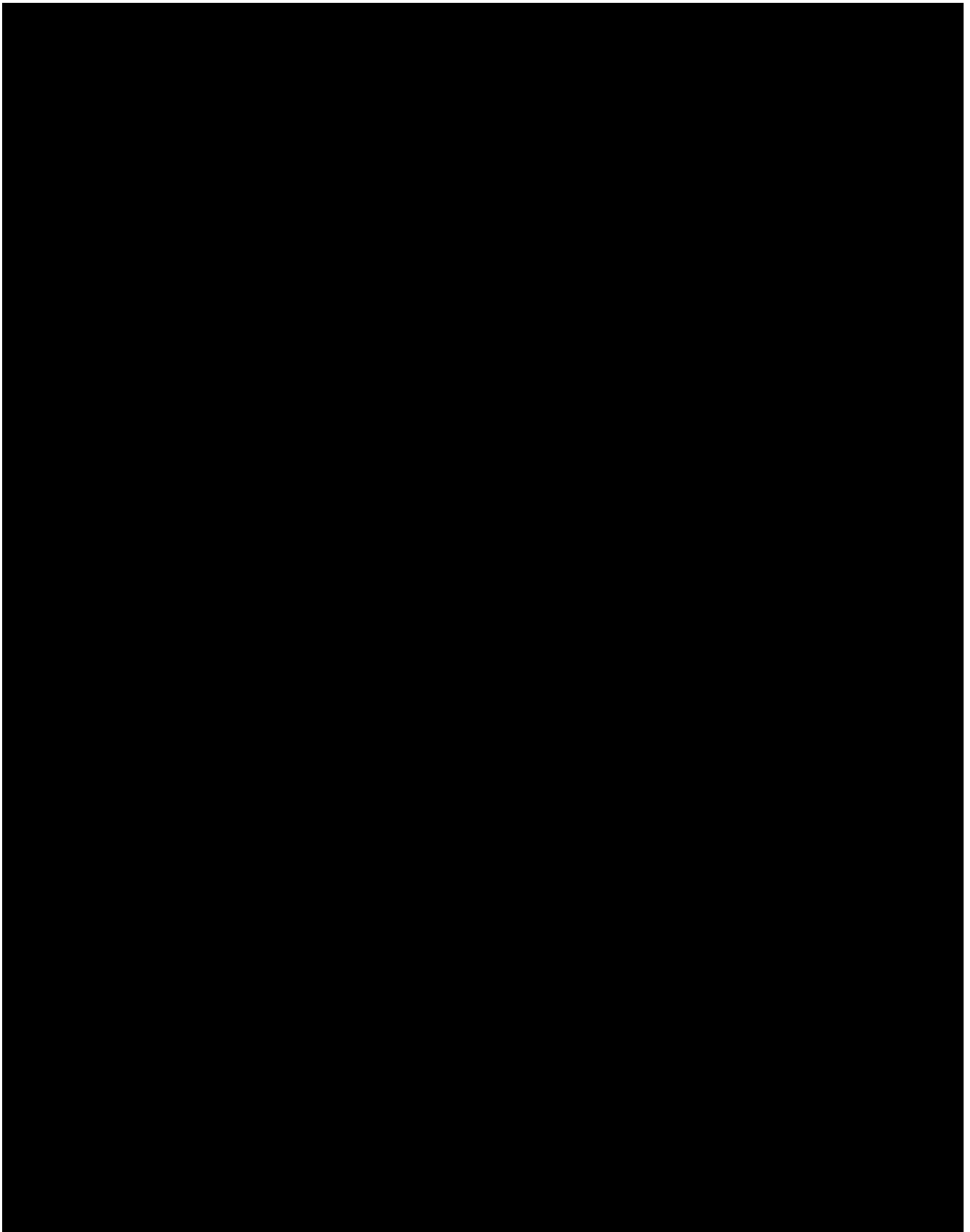


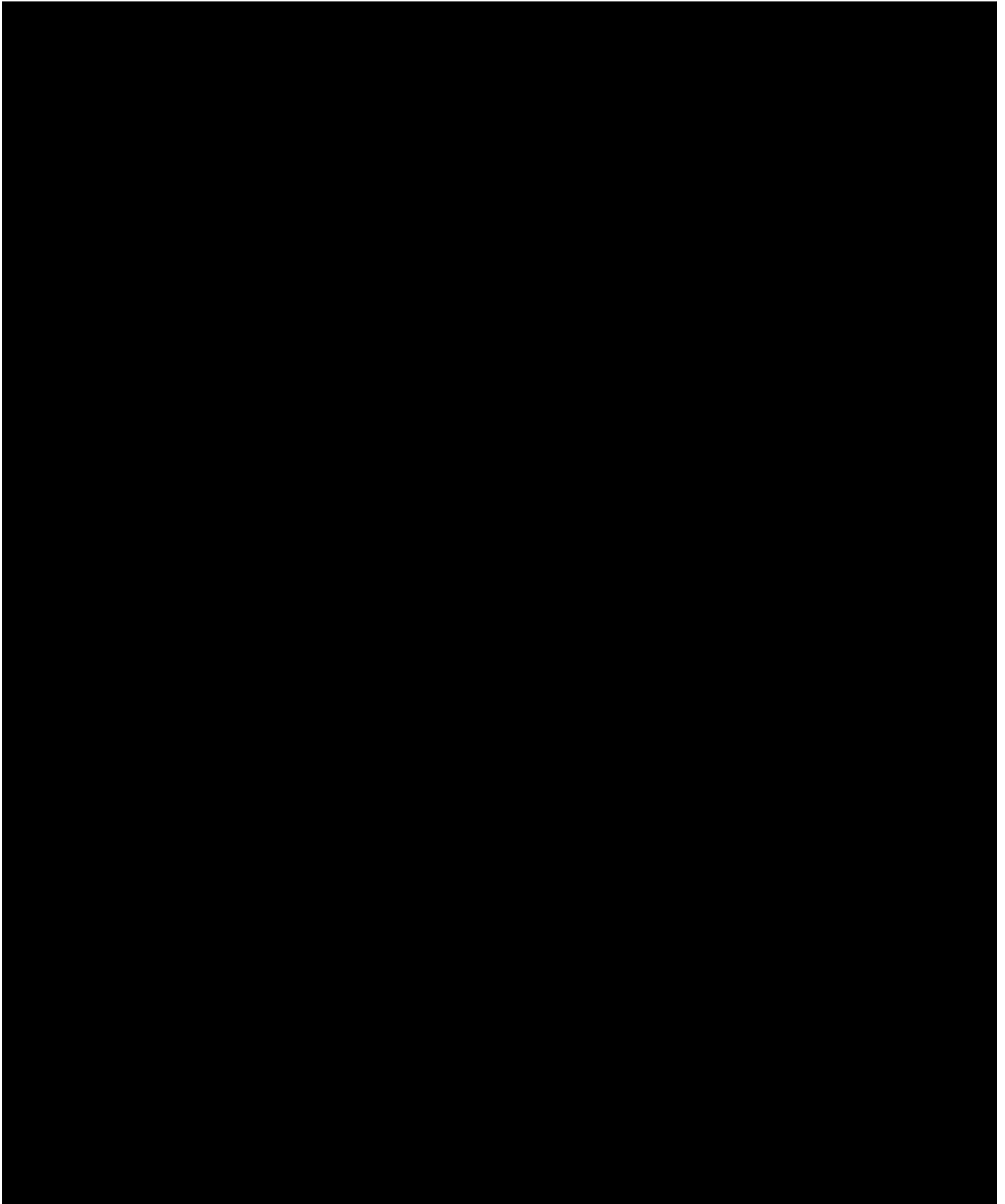


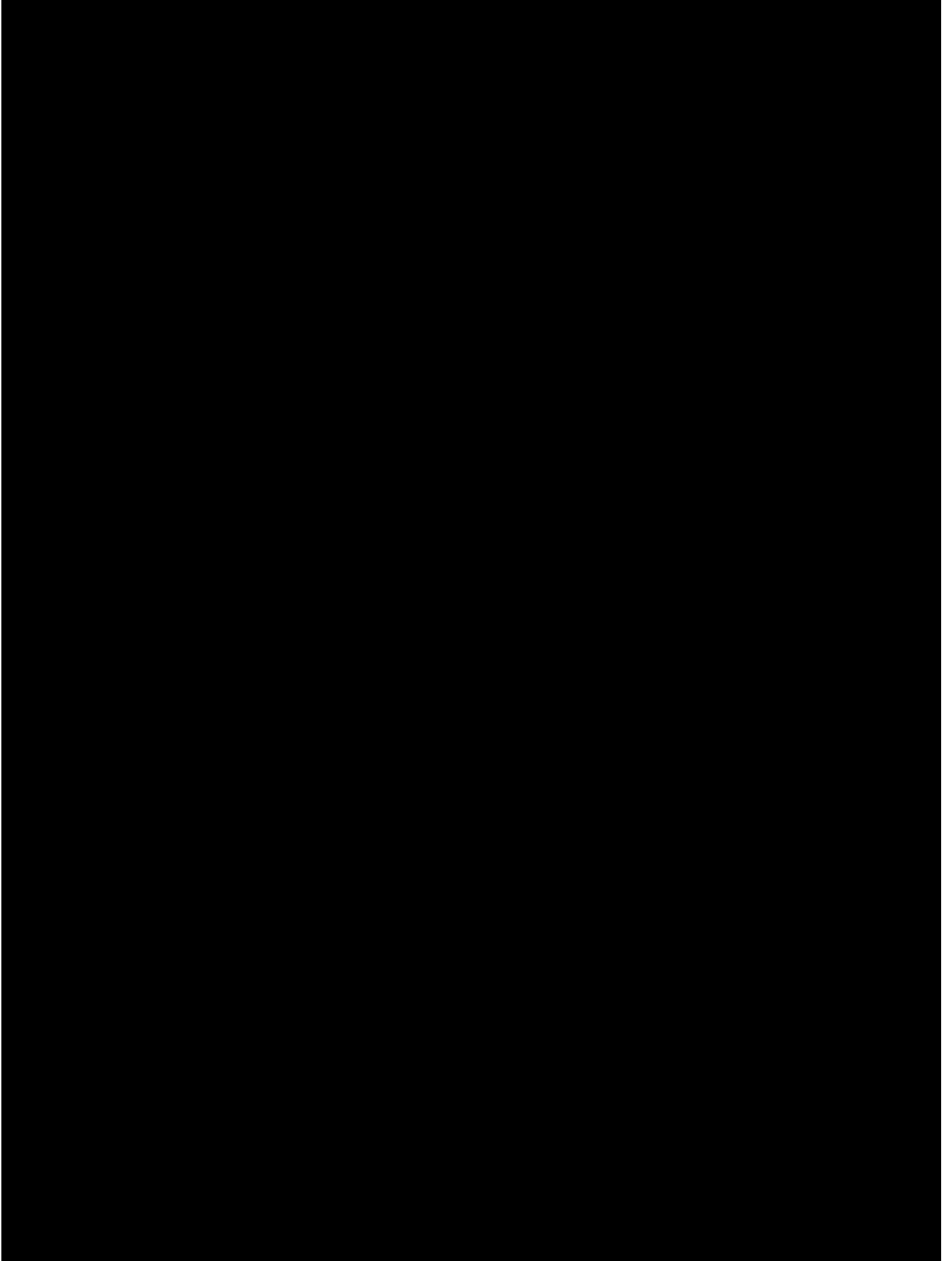


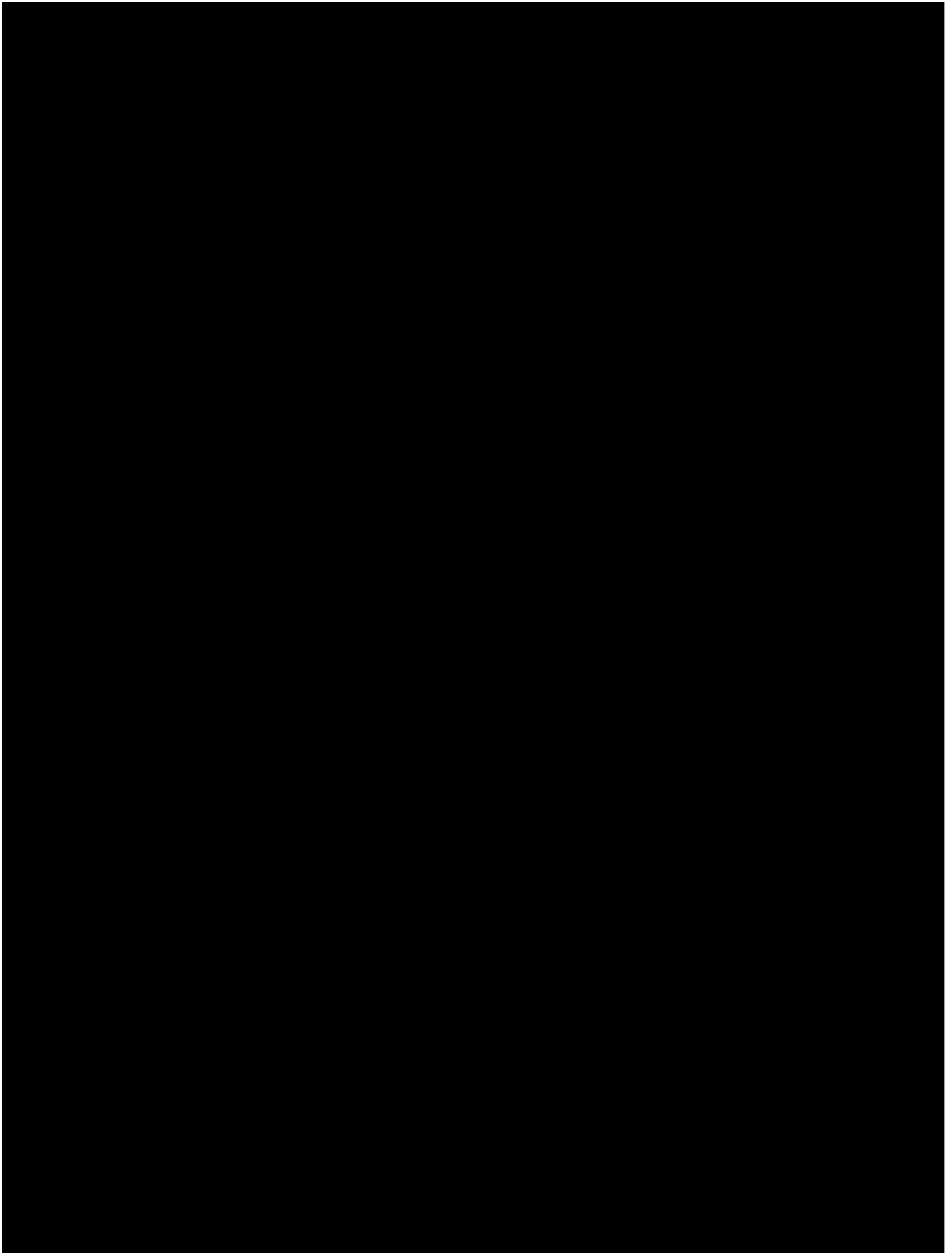


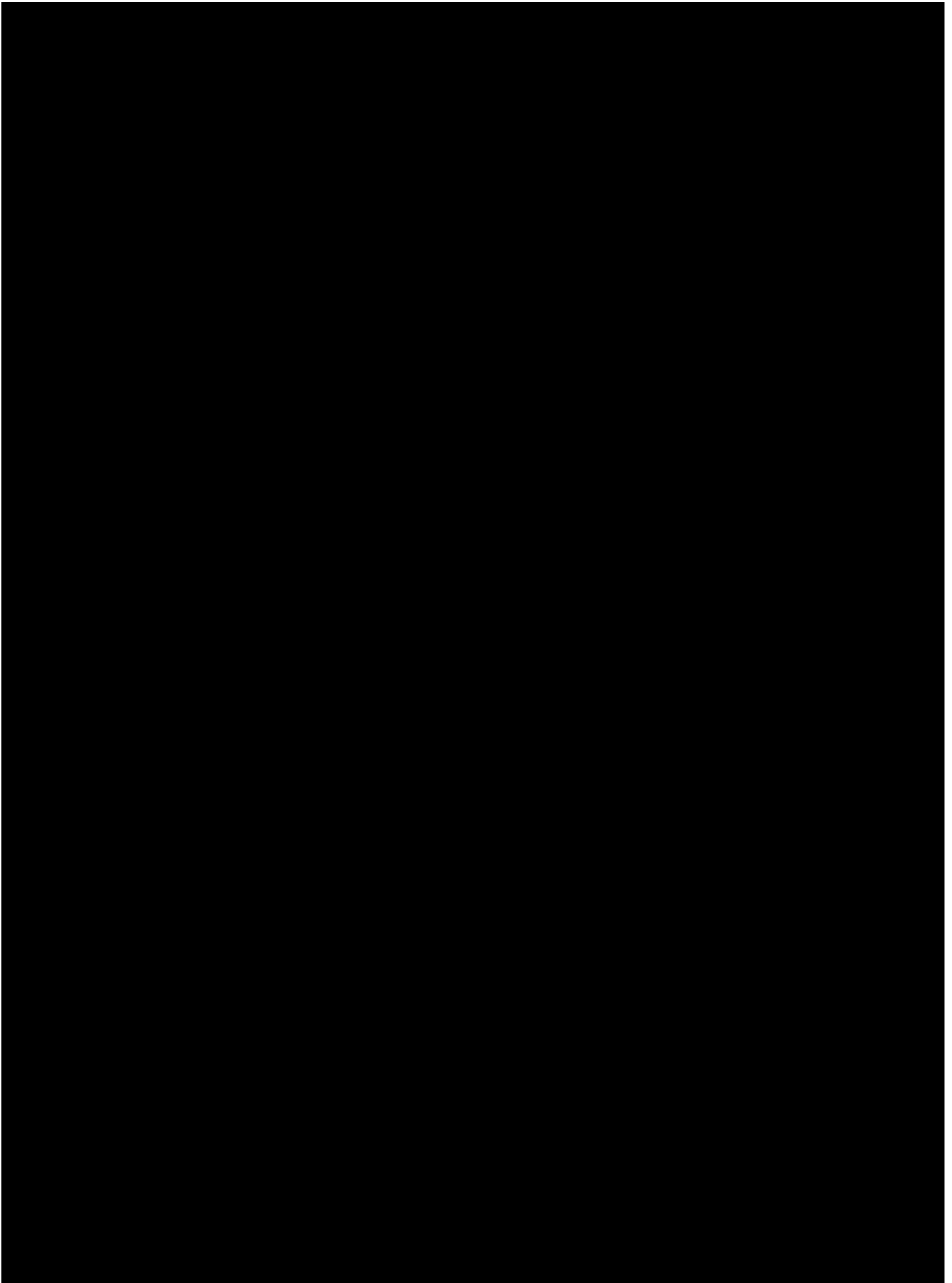


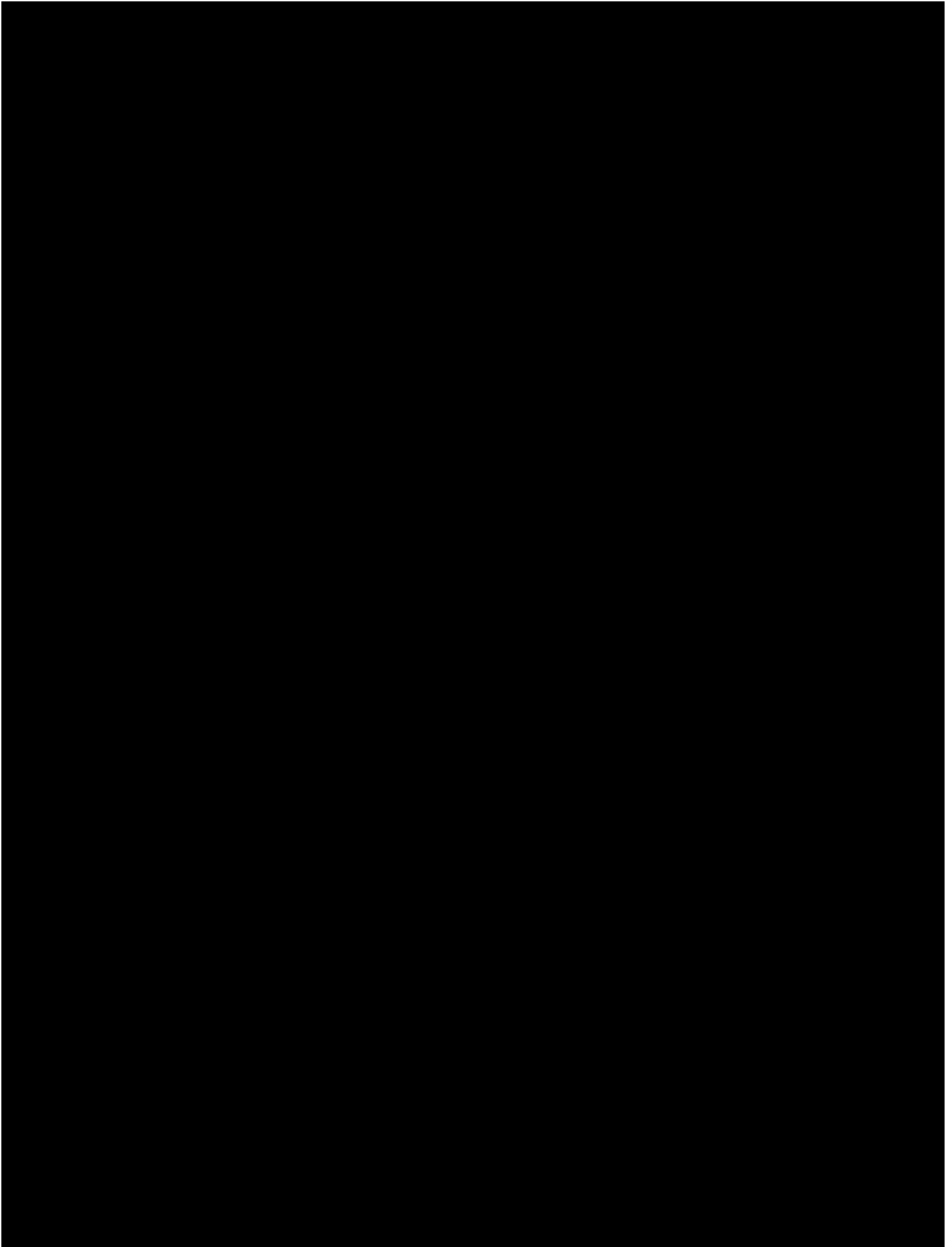


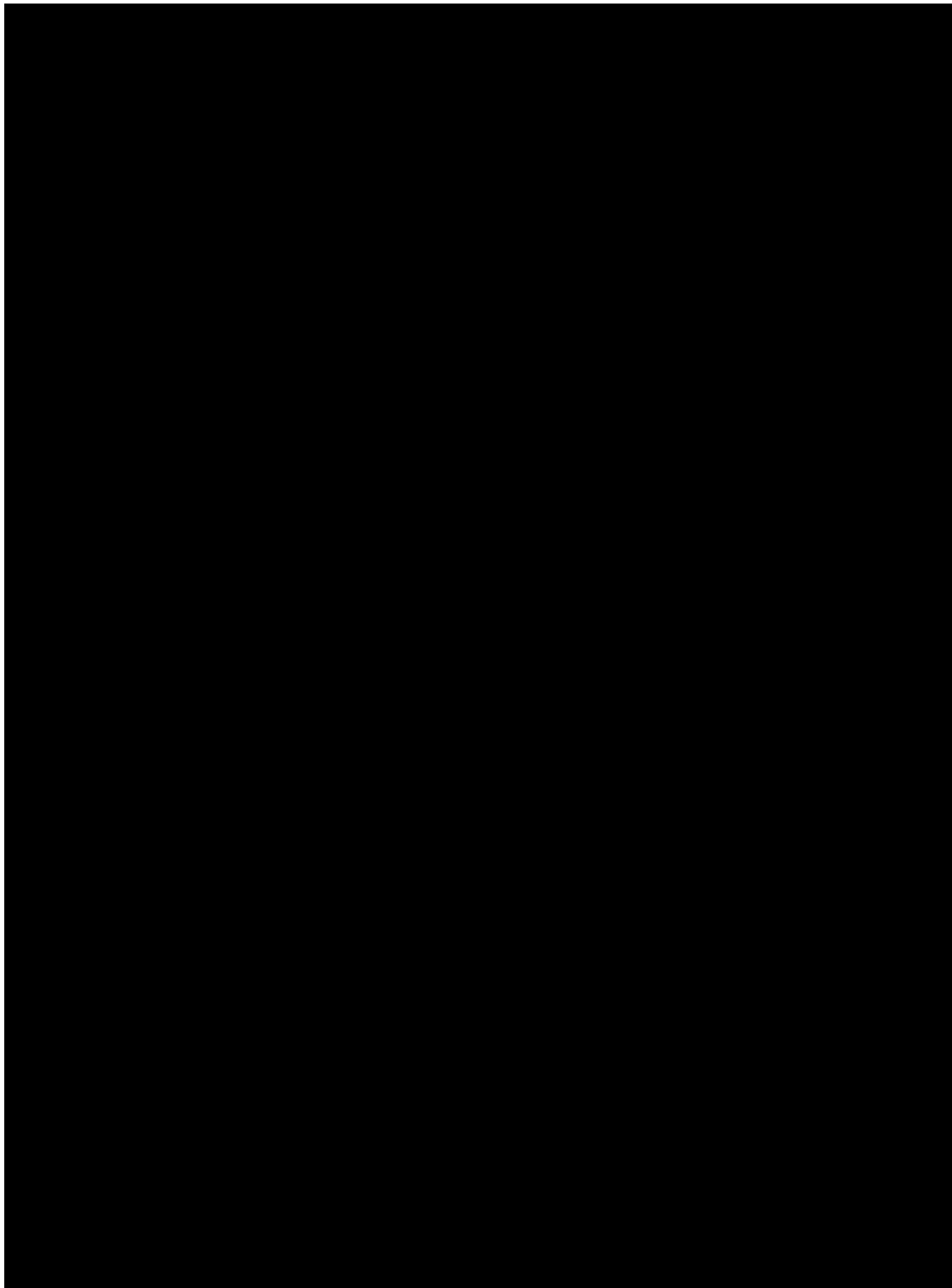


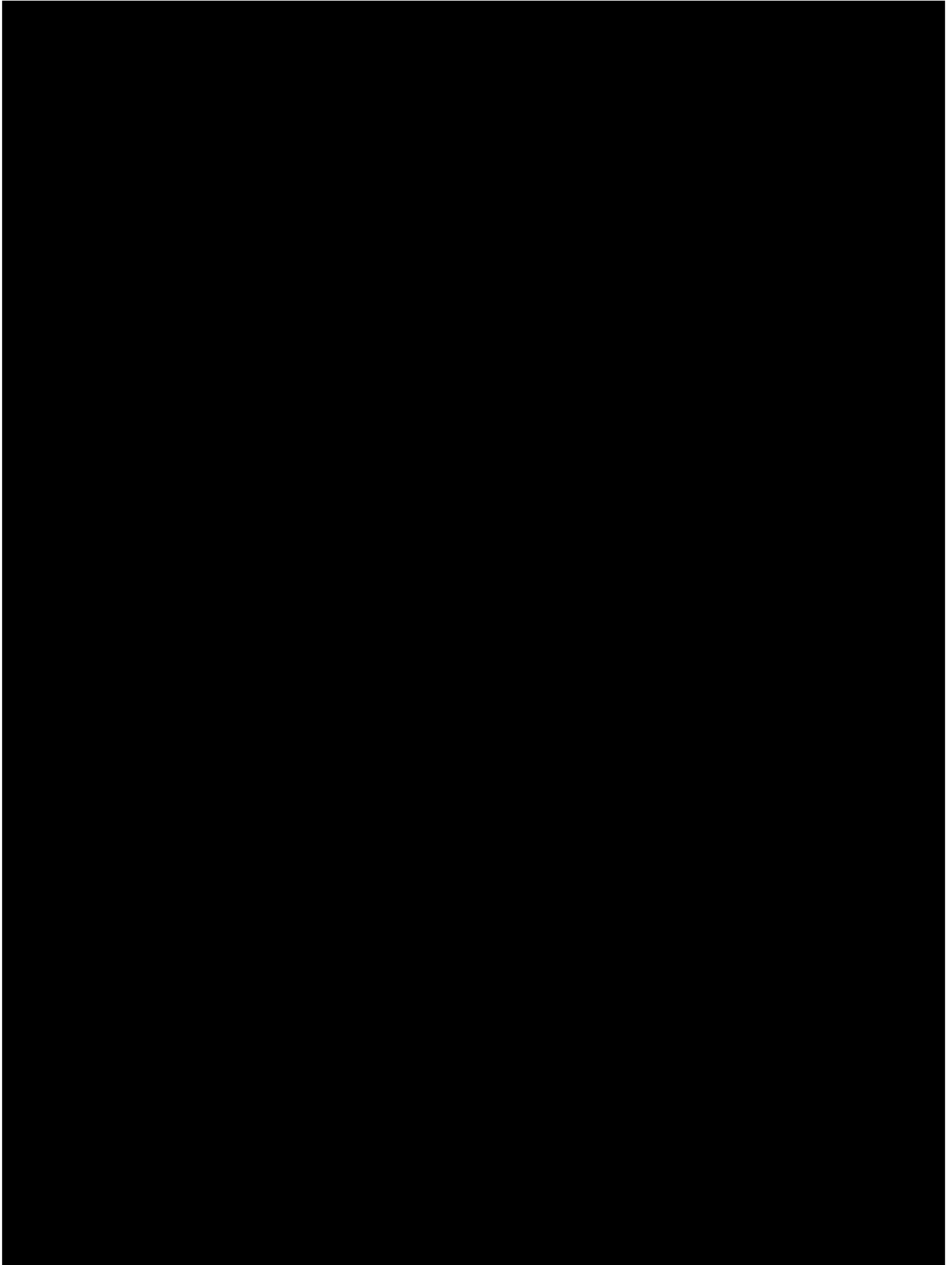


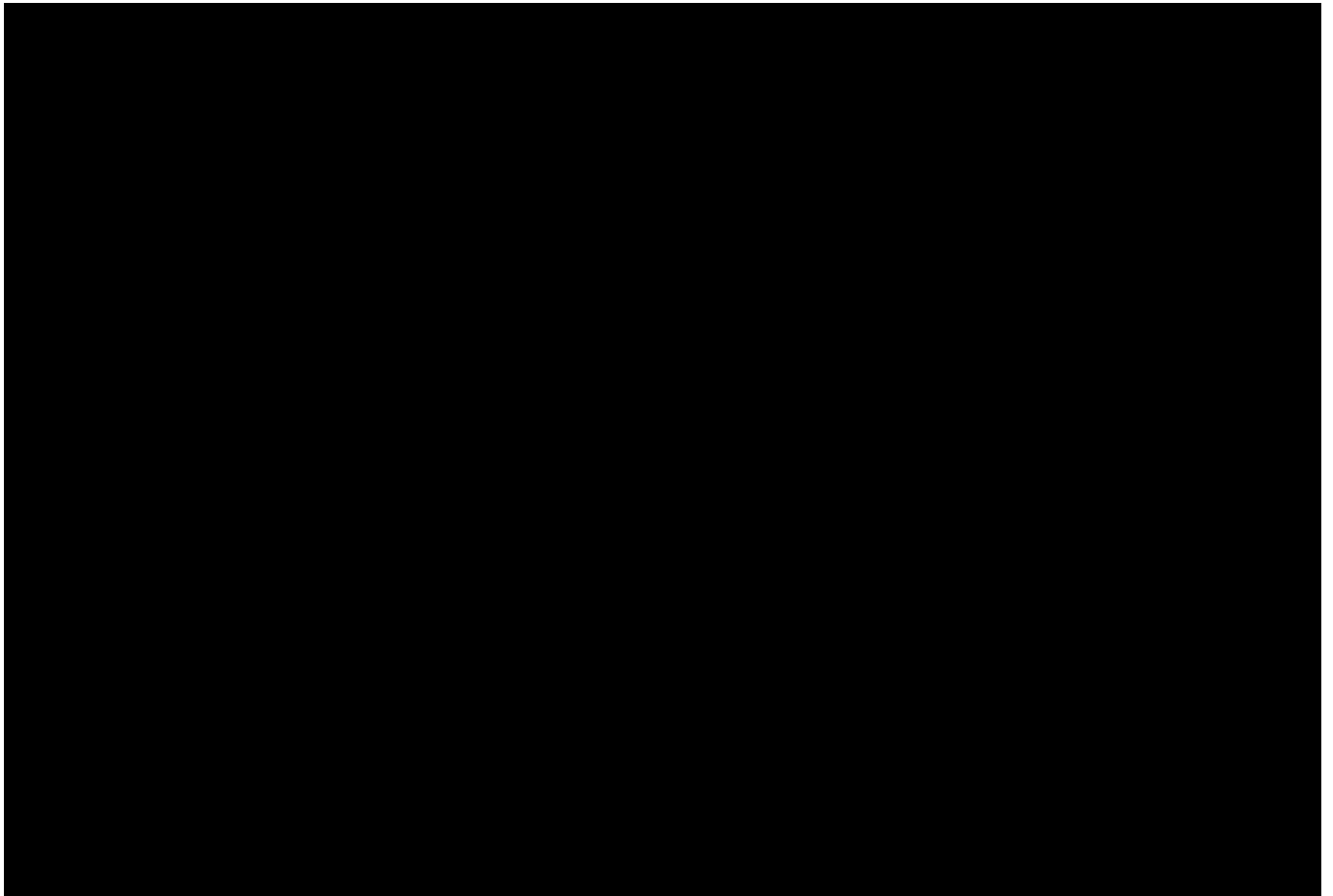








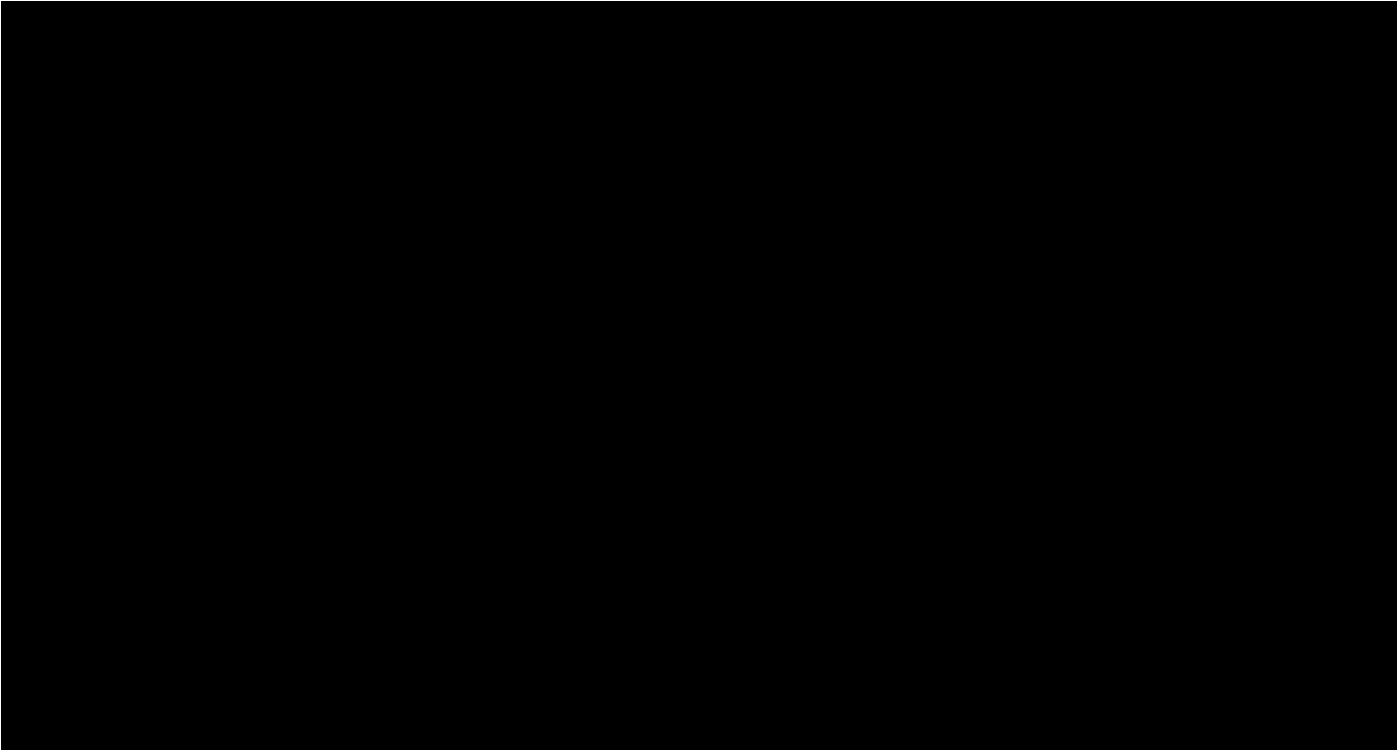




Reviewed Financial Statements

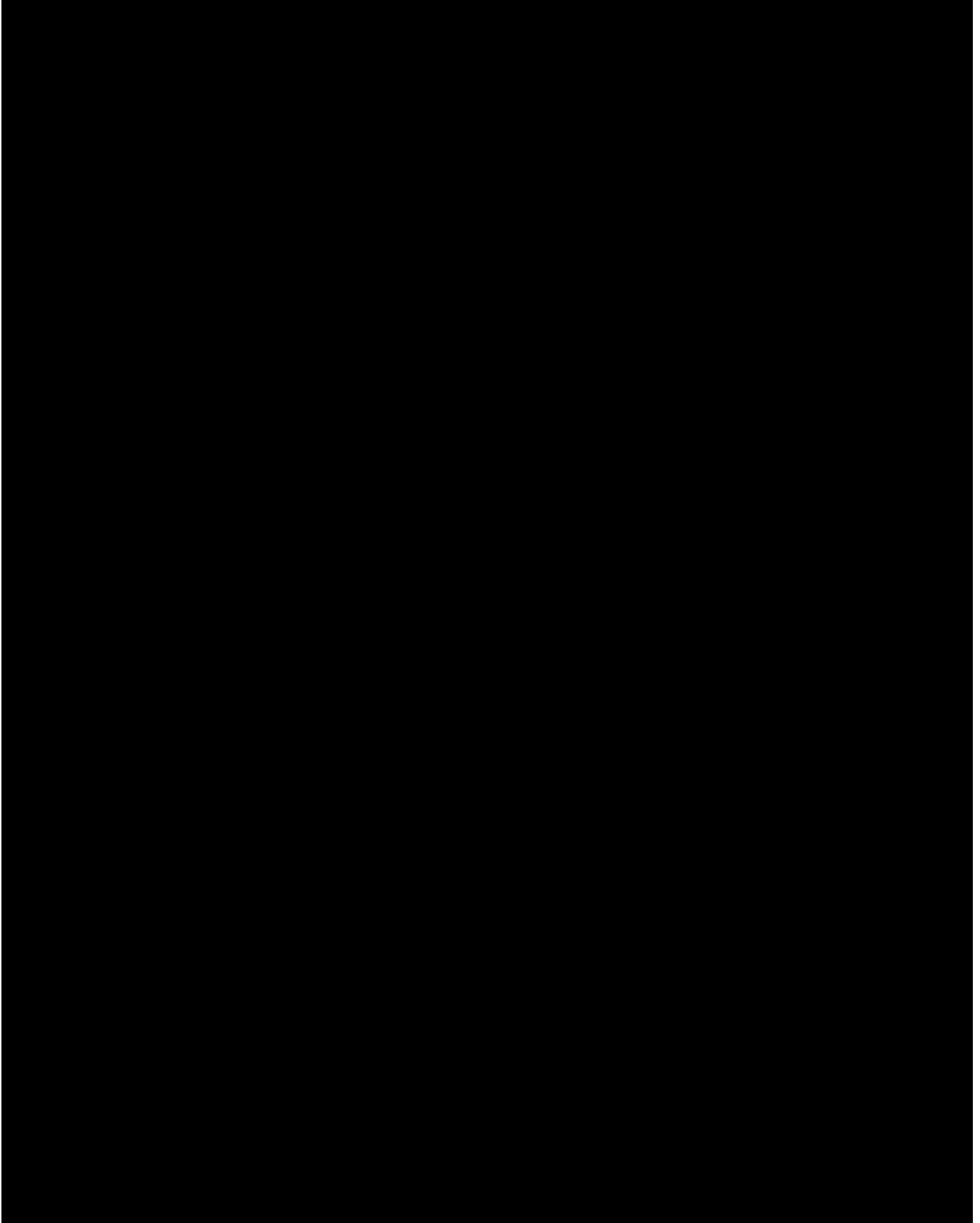
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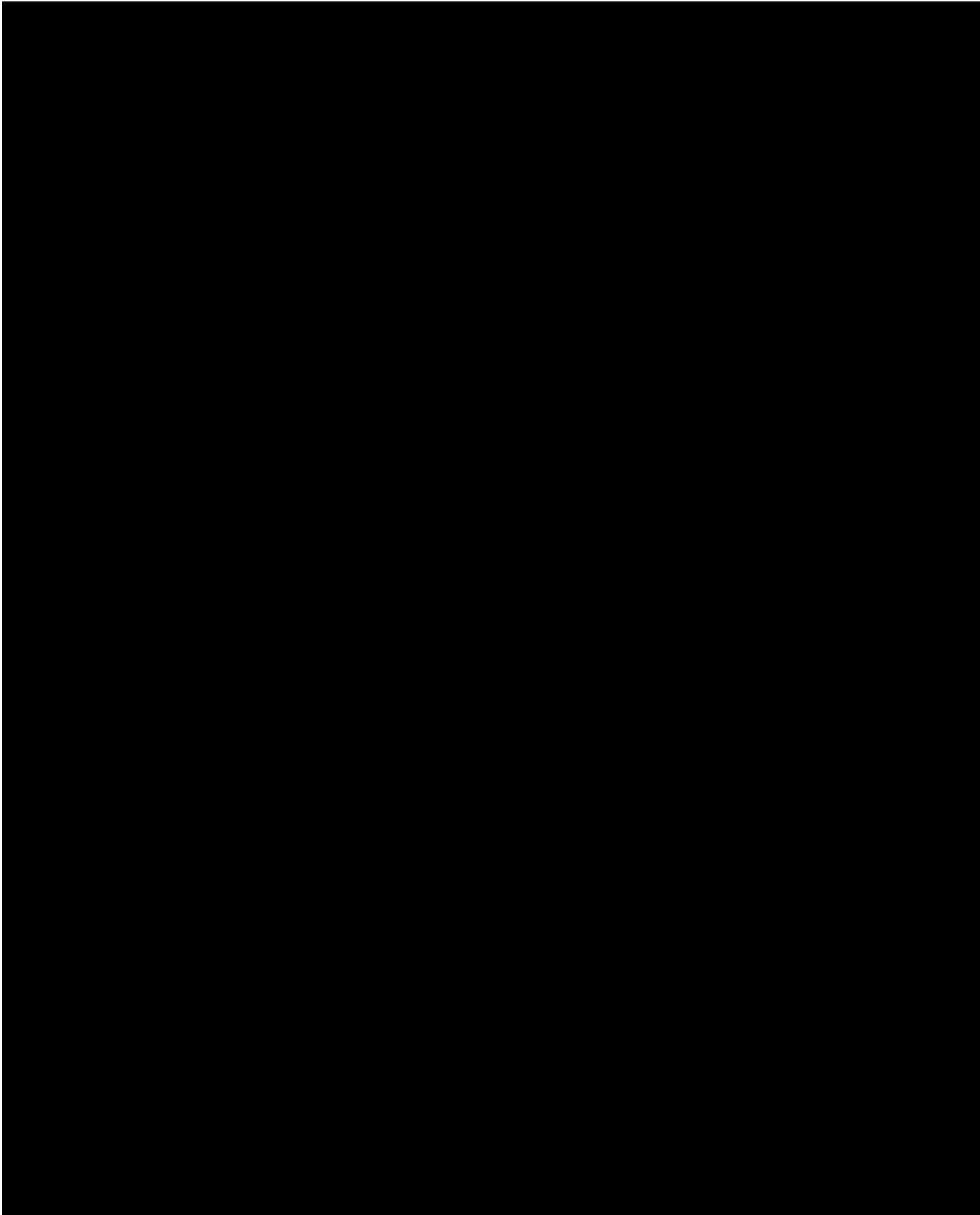
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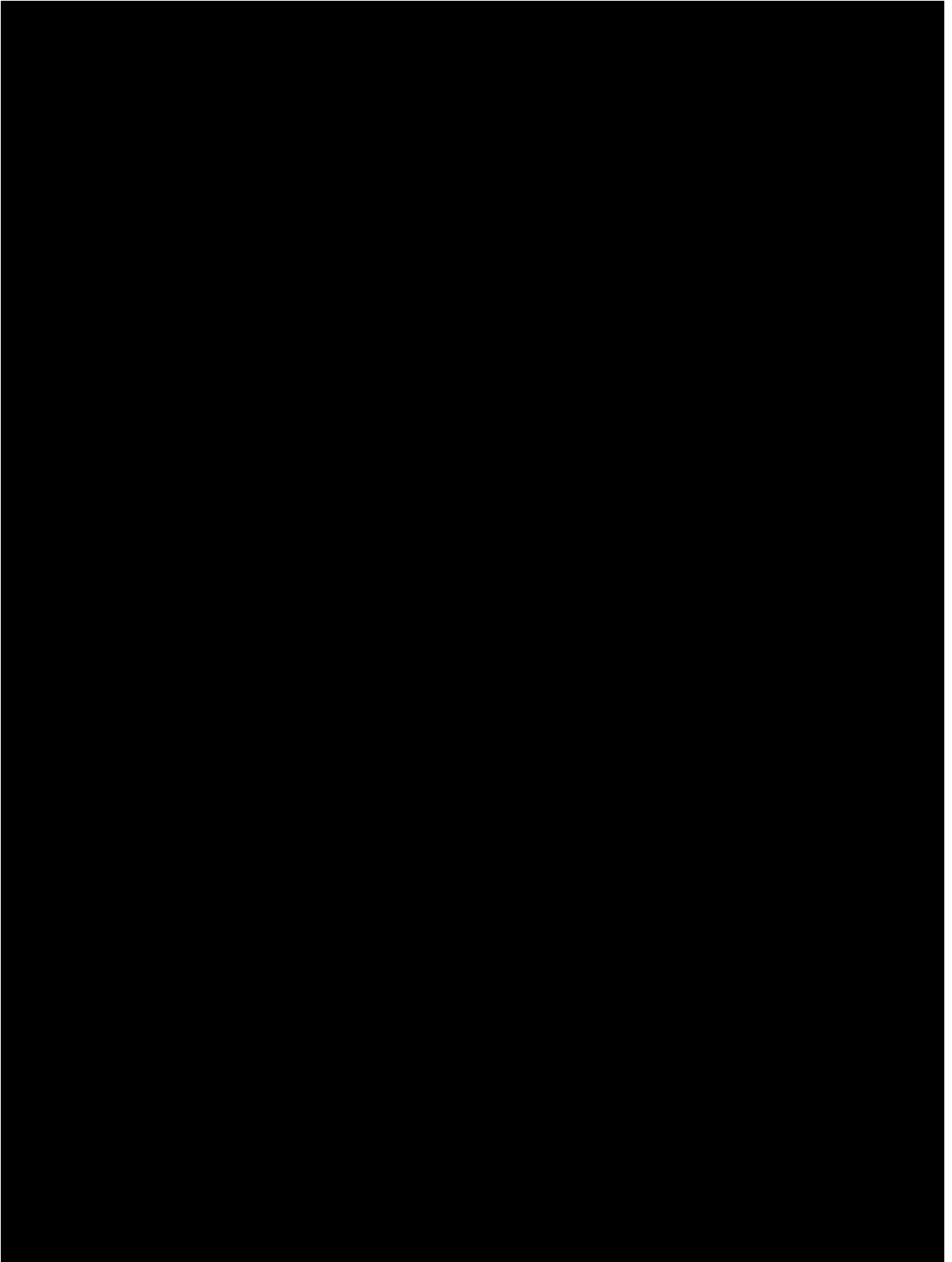


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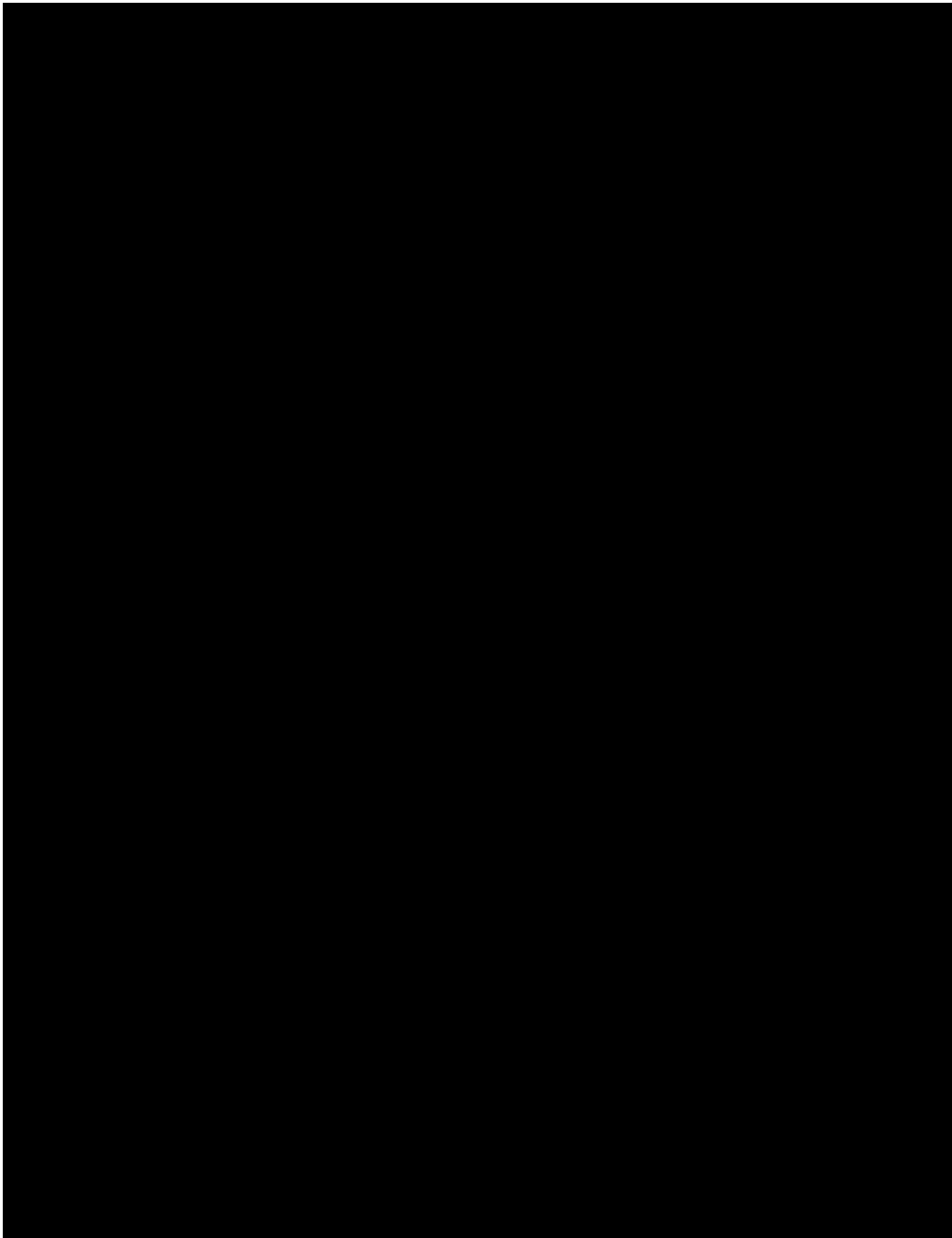




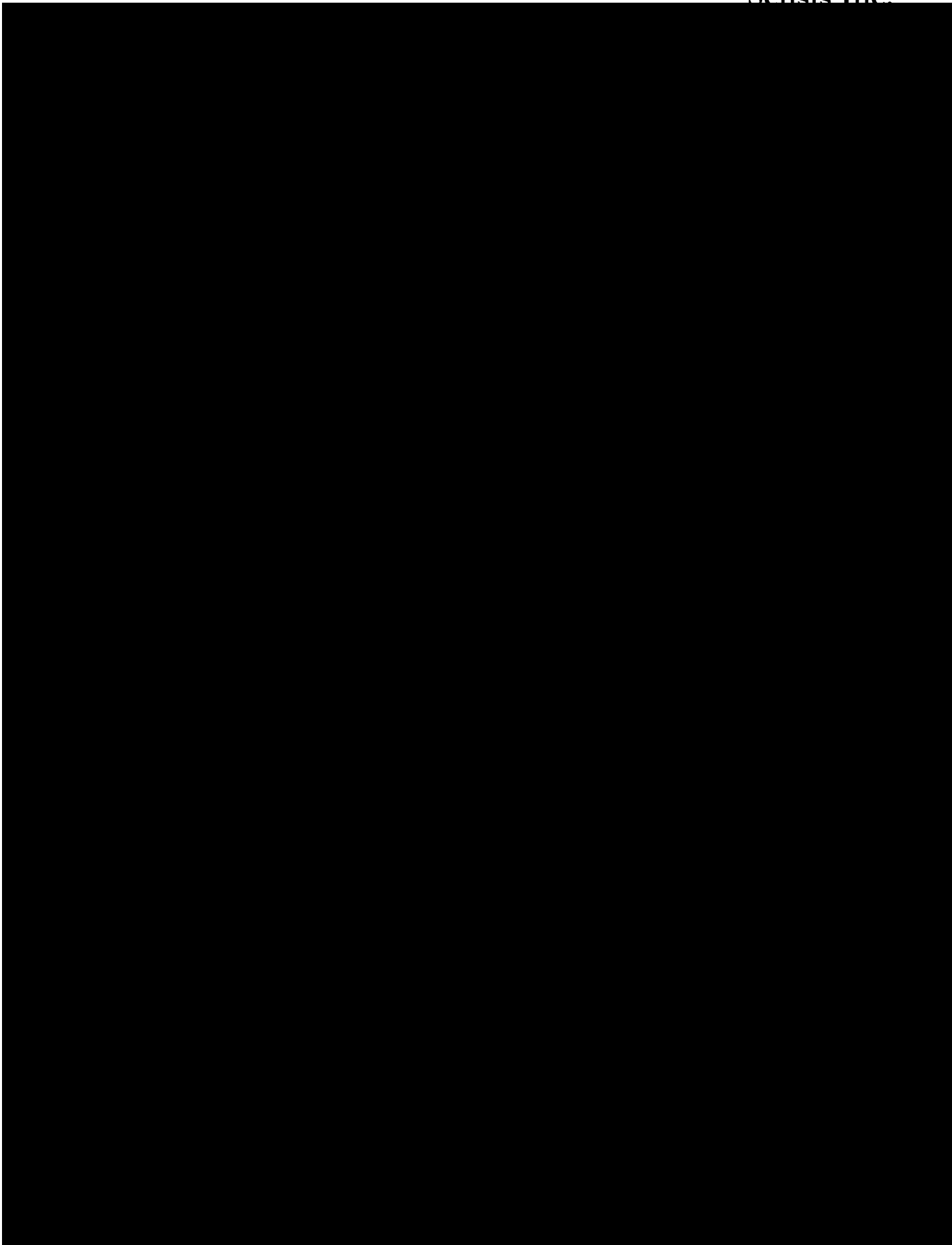
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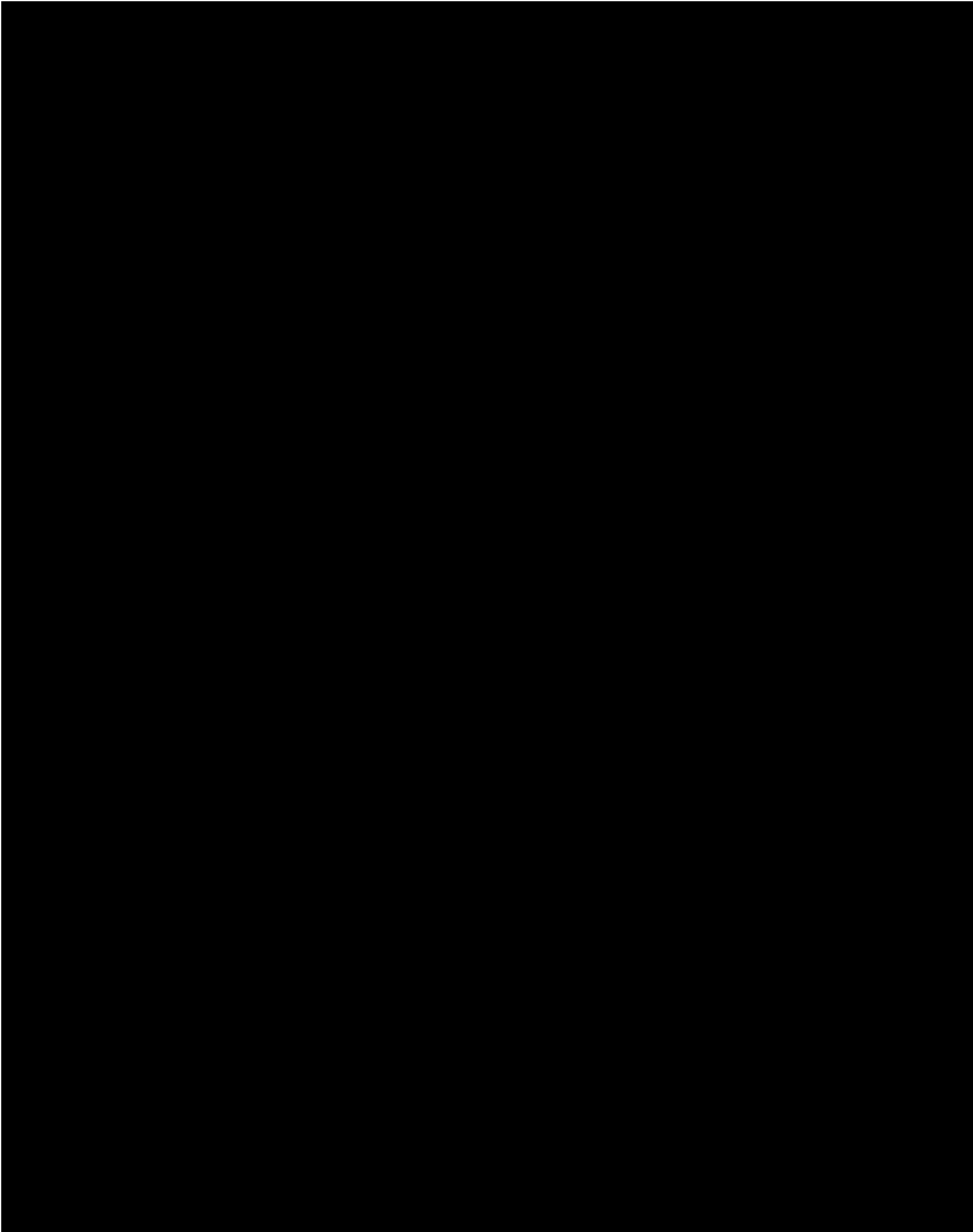
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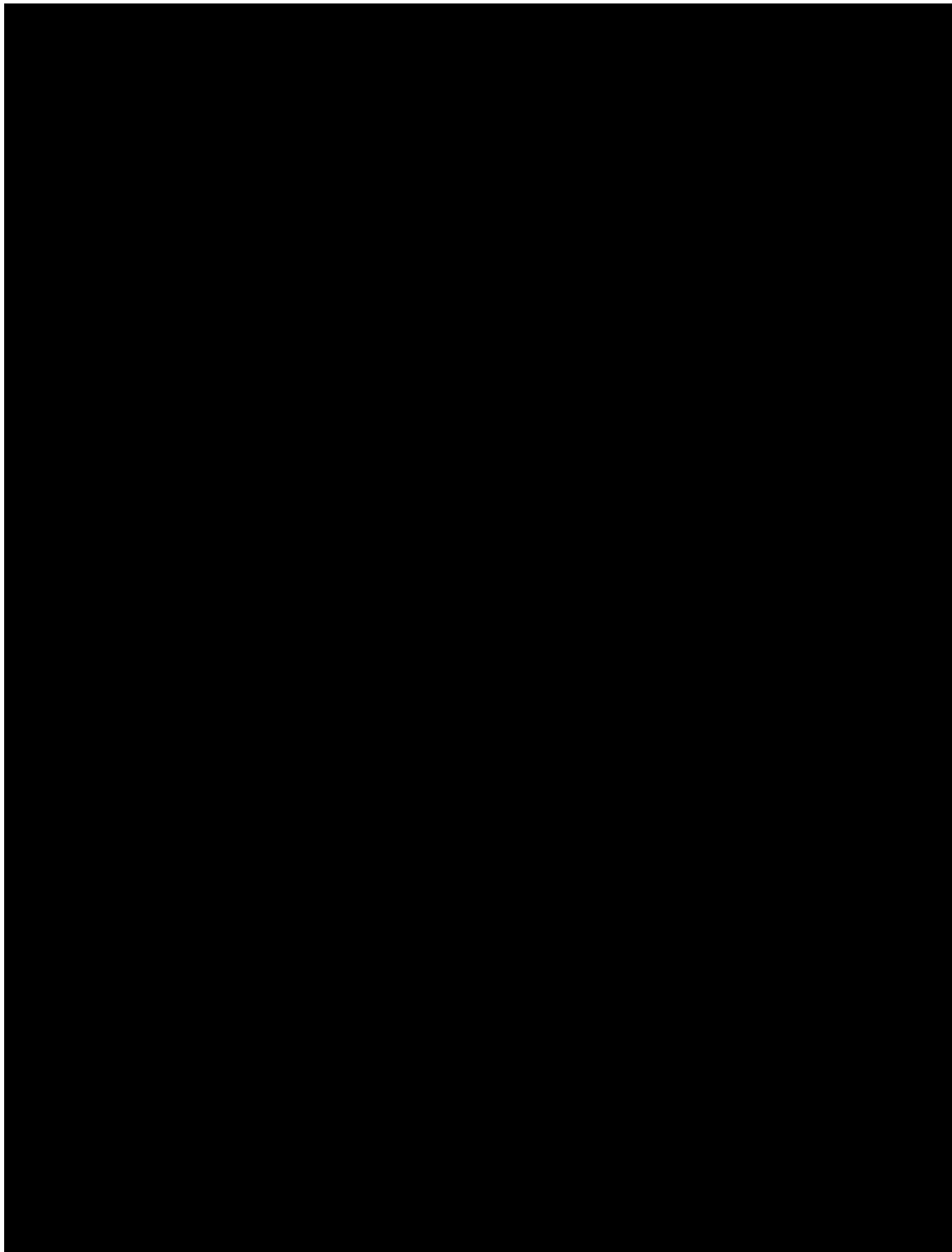
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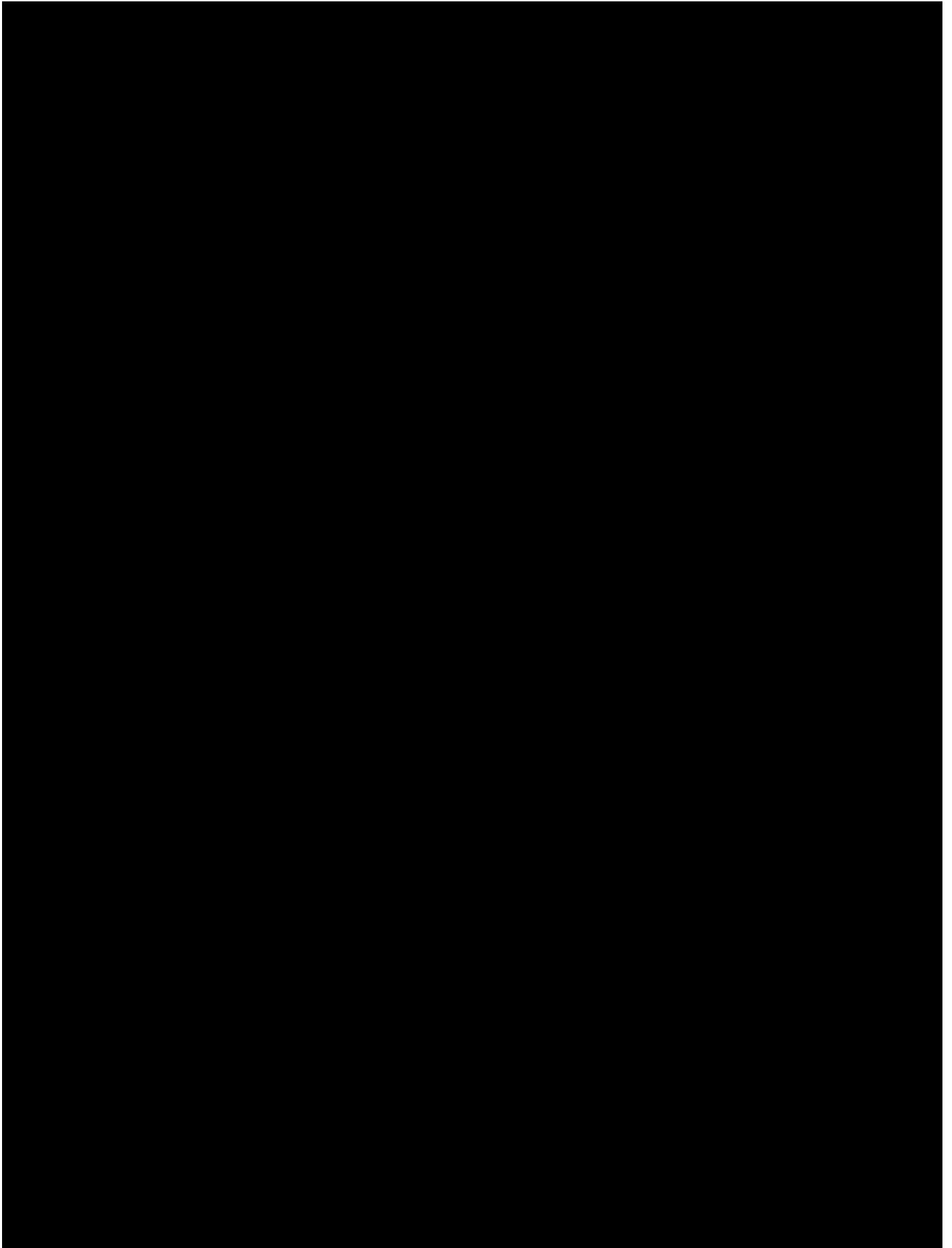
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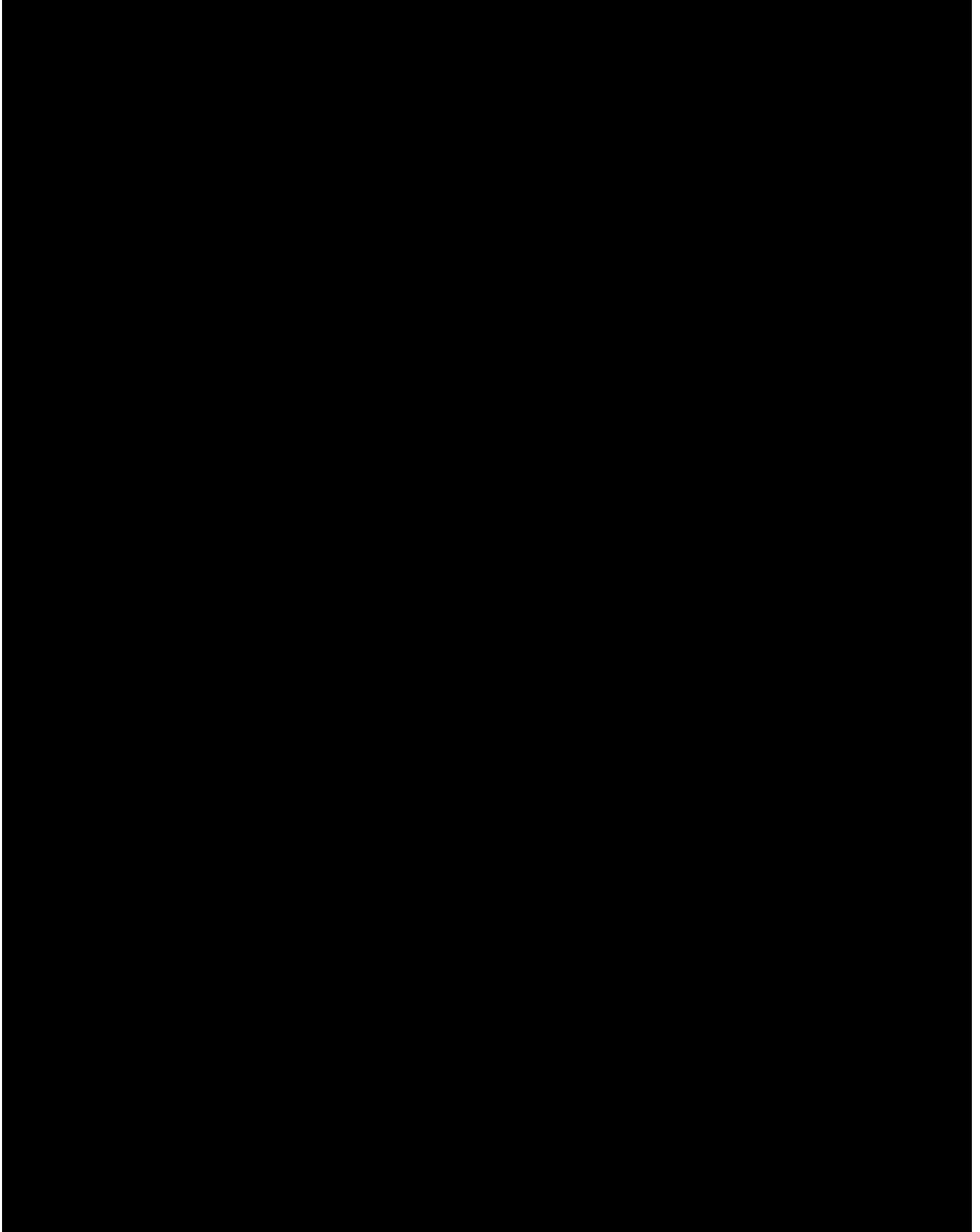
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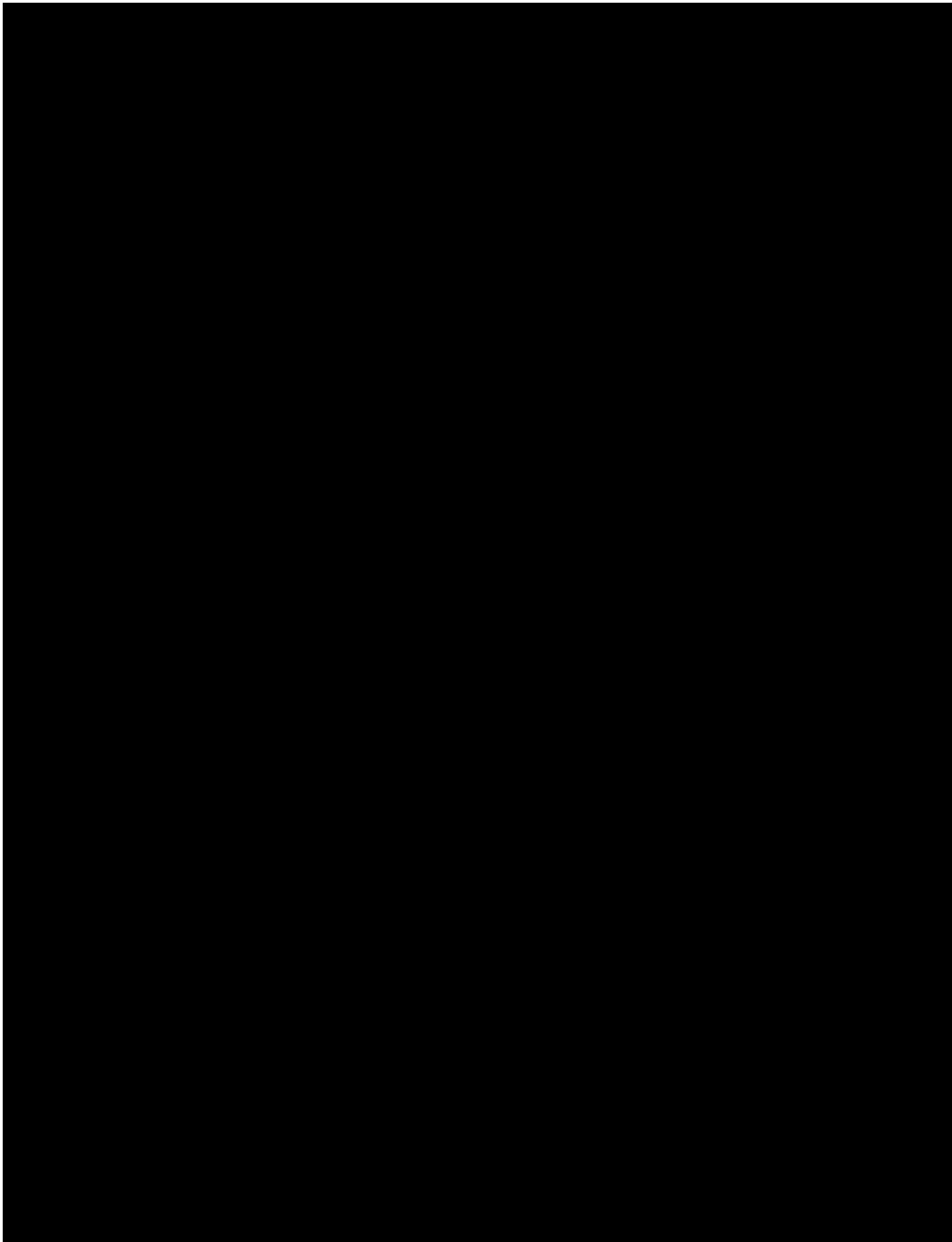
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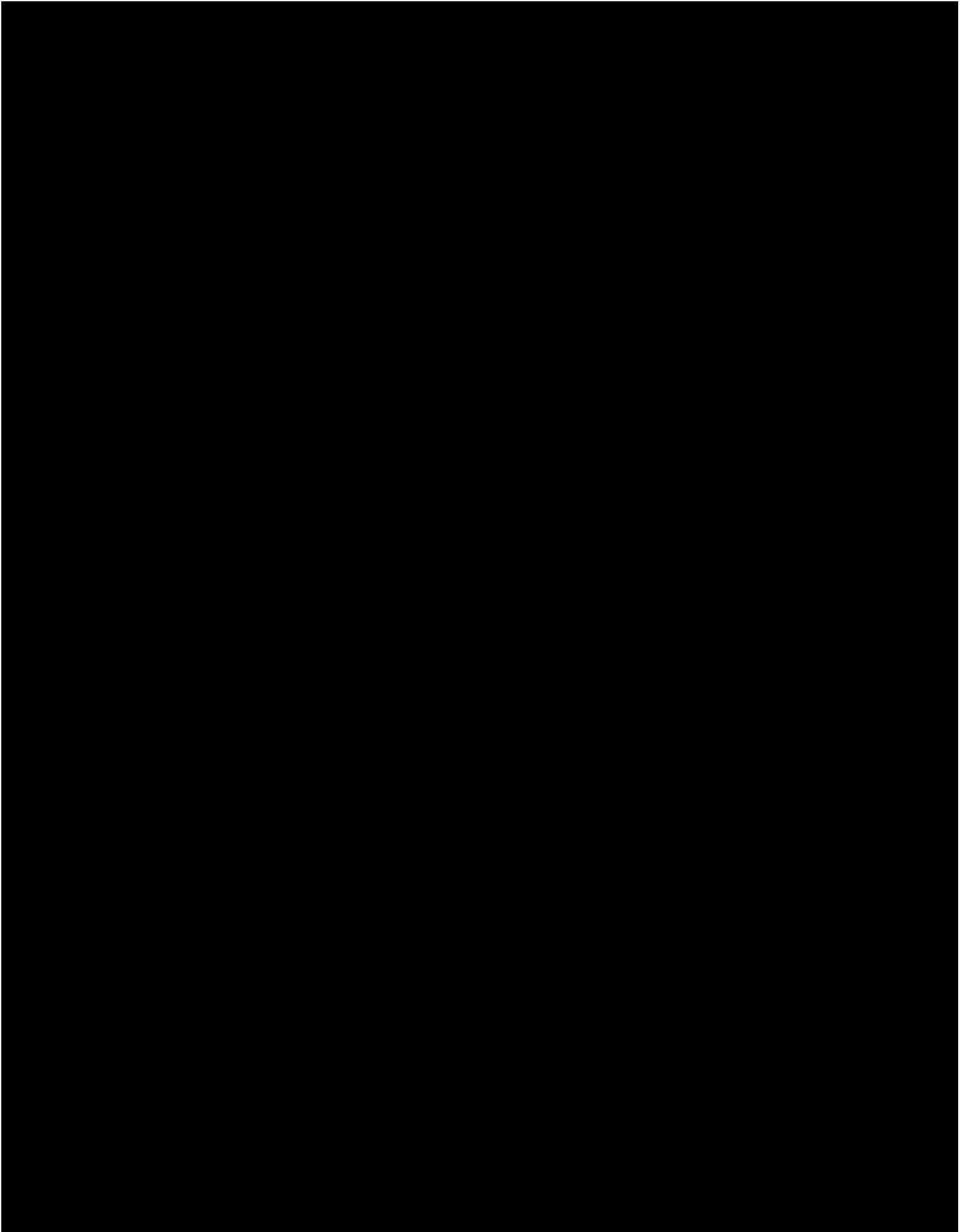
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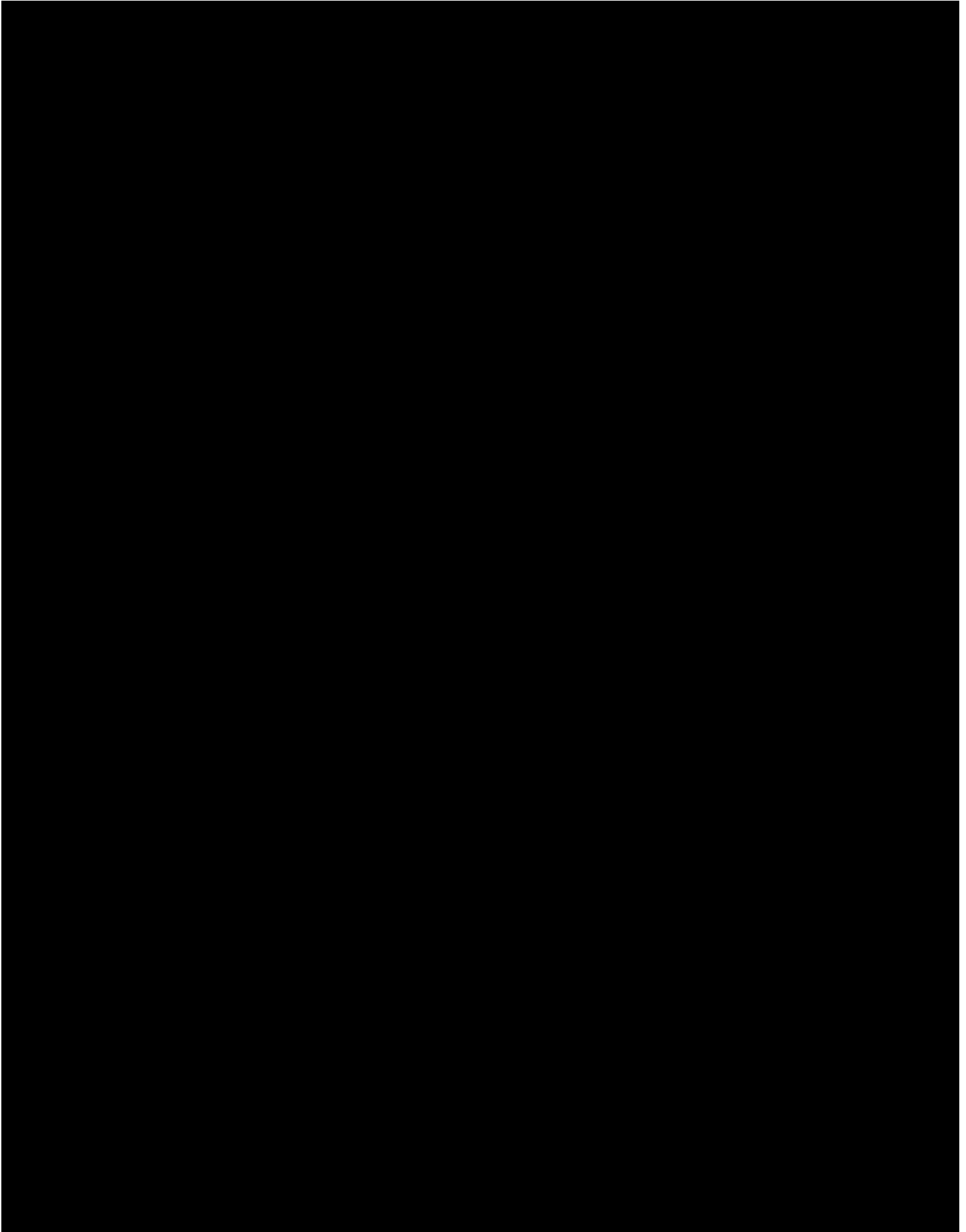
Sensis Inc.

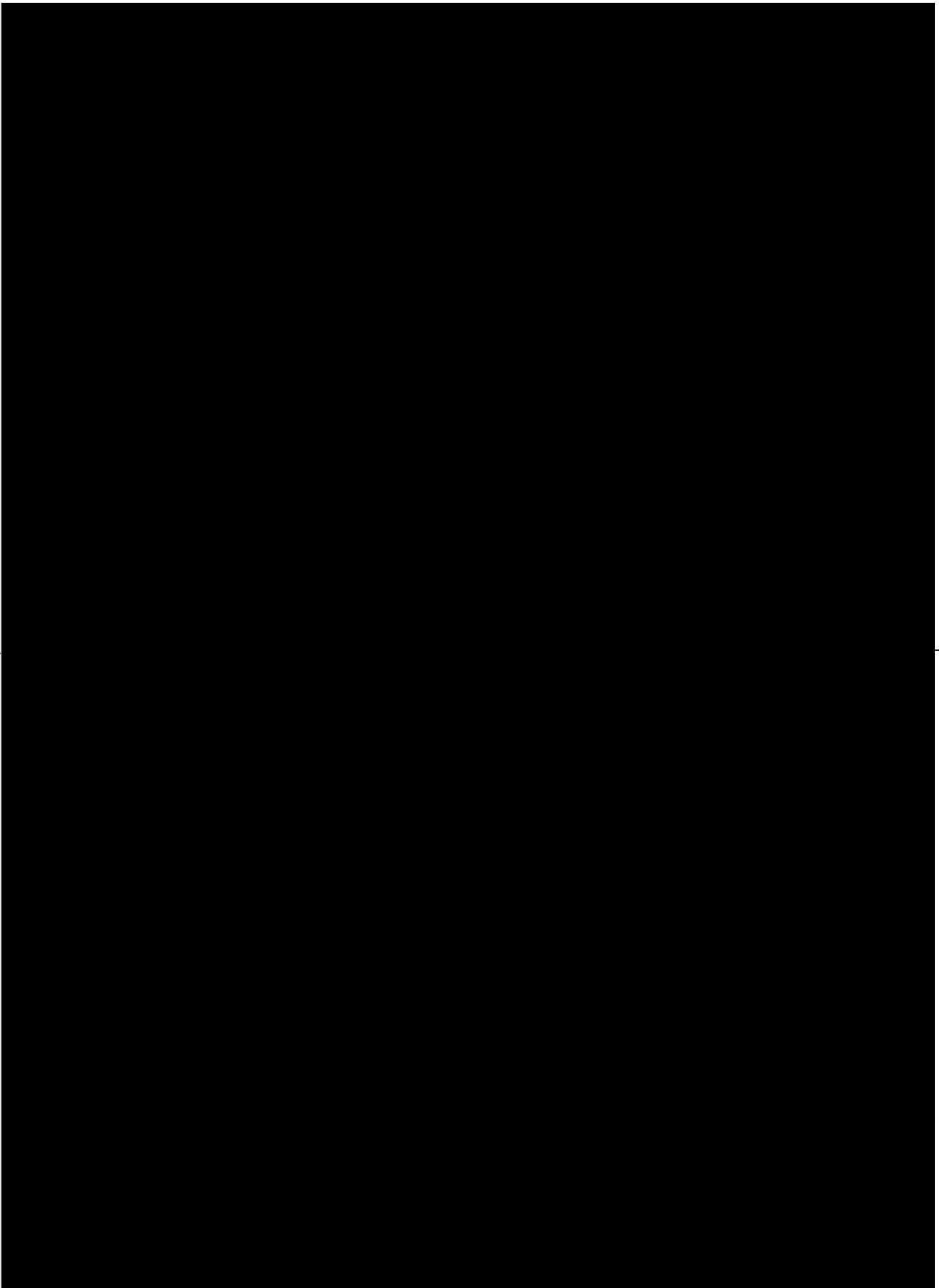


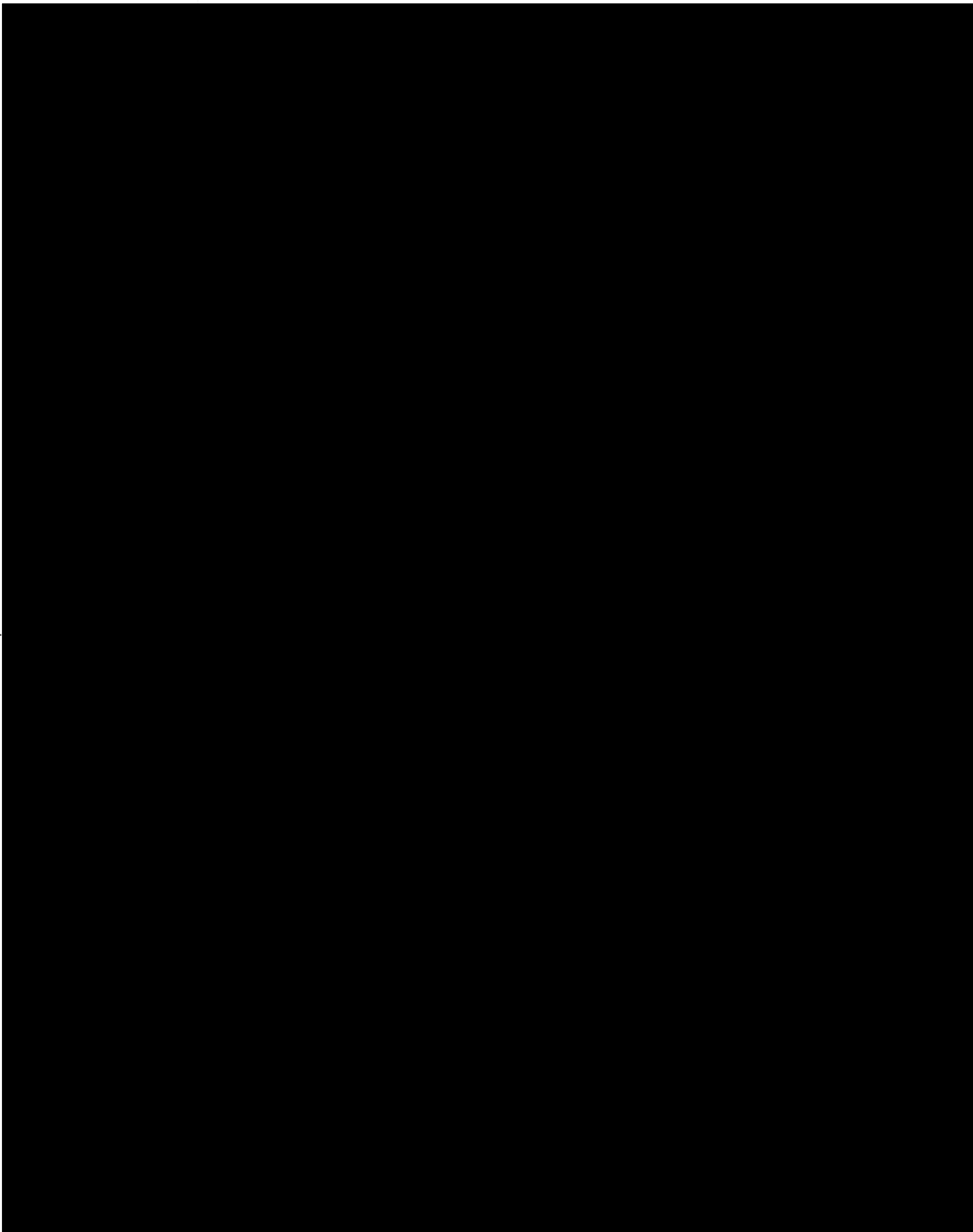
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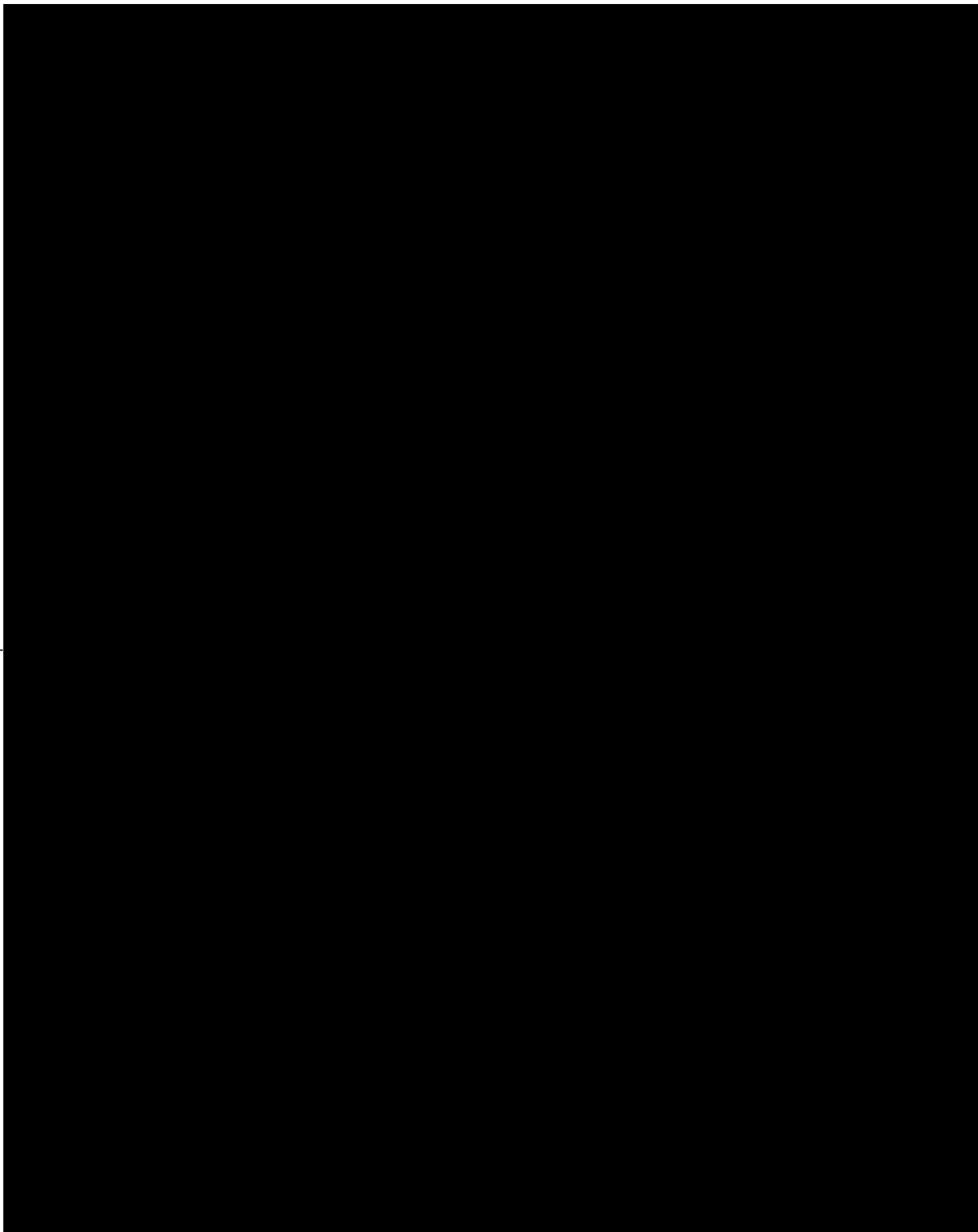


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Confidentiality Claimed
552.104/552.110

