

# REQUEST FOR PROPOSALS

## Minnesota State Lottery

### Description of Opportunity

The Minnesota State Lottery develops sponsorship agreements throughout the year with organizations, events, and sports teams to create excitement for lottery players, to interest new players and increase the visibility of lottery games. The Lottery encourages and continually seeks new sponsorship agreements to help achieve current Lottery marketing goals.

### Proposal Content

A sponsorship proposal presented to the Lottery should meet the following three criteria:

- 1. Maximize Lottery Visibility** – the event, sports or tie-in proposal should draw a large number of desired participants (typically 50,000 or more) whose demographics match the Lottery player profile. The Lottery is interested in effectively delivering its message of fun and entertainment to Minnesota adults whose demographics skew primarily towards those aged 25-64, with a household income of \$35,000-\$75,000, and having an educational background of some college or higher. The Lottery does not market to those under the age of 18, and family events with high levels of children present are generally not accepted. Attendance, on-site signage visibility and paid media exposure will be critical components that will be evaluated.
- 2. Enhance Lottery Image** – the event, sports or tie-in proposal should inherently project the attitude that the Lottery is a fun and socially acceptable part of the community. The Lottery's presence should fit well within the lineup of other sponsors. The Lottery is interested in creating opportunities whereby the sponsorship can translate into sales revenue, either via on-site sales from a Lottery booth, from sales-generating promotions with Lottery retailers or from joint programs with the sponsor's media partners.
- 3. Provide Promotional Extensions** – the event, sports or tie-in proposal should offer exciting, value-added ways to interact with our players and have opportunities to motivate attendees, listeners and viewers to participate in and purchase Lottery games. The proposal must include proper staffing availability or other considerations to help the Lottery implement any appropriate promotional extension ideas.

Proposals should address all pertinent elements of the sponsorship and how the Lottery criteria as stated above and on the attached Evaluation Form are to be met.

This Solicitation does not obligate the state to award a contract or pursue a proposed sponsorship opportunity, and the state reserves the right to cancel the solicitation if it is considered to be in its best interest.

## Questions

Questions concerning this Solicitation should be directed to:

Jason LaFrenz, Marketing Director  
Minnesota State Lottery  
2645 Long Lake Road  
Roseville, MN 55113  
Tel. (651) 635-8230  
(888) 568-8379 ext. 230 (toll-free)  
Fax: (651) 297-7496  
jason.lafrenz@mnlottery.com

Other personnel are not authorized to answer questions regarding this Solicitation.

## Response Delivery

All responses must be in writing and delivered to the contact noted above. Proposals will be accepted on an ongoing basis.

## Response Evaluation

Responses will be evaluated utilizing the attached Evaluation Form as follows:

Section I, Sponsorship Requirements, is a list of criteria of extreme importance for the Lottery. All criteria must be given a passing mark or the prospective proposal will not be accepted. In some cases, a failure does not mean that the proposal would not merit a passing mark at some later time. For example, a strong proposal may initially fail because there is not adequate lead-time to maximize participation, but still could mean the proposal would be accepted the following year.

Section II, Strategic Value of Participation, is a list of eleven factors that offer the most total sponsorship “value” for the Lottery. Each factor will be judged to have equal weight or value potential. The Lottery will conduct a thorough review of the prospective proposal and then determine a level of value for each factor. A prospective proposal must be given a score of at least 25 or greater to be considered adequate for possible negotiation. Proposals that do not receive such marks will not be considered further.

Section III, Overall Assessment, captures the cumulative value assessment of the prospective proposal. If the proposal has passed both Sections I and II, the Lottery will commence negotiations on price and all sponsorship component deliverables.

## Conflicts of Interest

Responder must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

## Proposal Contents

By submission of a proposal, Responder warrants that the information provided is true, correct and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the responder to suspension or debarment proceedings as well as other remedies available by law.

### **Disposition of Responses**

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when the government entity has completed negotiating the contract with the selected vendor. If the Responder submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

- clearly mark all trade secret materials in its response at the time the response is submitted,
- include a statement with its response justifying the trade secret designation for each item, and
- defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

The State will not consider the prices submitted by the Responder to be proprietary or trade secret materials.

Notwithstanding the above, if the State contracting party is part of the judicial branch, the release of data shall be in accordance with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time.

### **Contingency Fees Prohibited**

Pursuant to Minnesota Statutes Section 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

### **Reimbursements**

Reimbursement for travel and subsistence expenses actually and necessarily incurred by the contractor as a result of the contract will be in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations. Reimbursements will not be made for travel and subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

### **Organizational Conflicts of Interest**

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor's objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Materials Management Division ("MMD") which must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to MMD, the State

may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms “contract,” “contractor,” and “contracting officer” modified appropriately to preserve the State’s rights.

**Preference to Targeted Group and Economically Disadvantaged Business and Individuals, if applicable**

In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors shall receive the equivalent of a six percent preference in the evaluation of their proposal. For information regarding certification, contact the Materials Management Helpline at 651.296.2600, or you may reach the Helpline by e-mail at [mmd.help.line@state.mn.us](mailto:mmd.help.line@state.mn.us). For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529.

**Veteran-Owned Preference**

In accordance with Minn. Stat. § 16C.16, subd. 6a, (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a six percent preference on state procurement to **certified small businesses** that are **majority-owned and operated by:**

- (1) recently separated veterans who have served in active military service, at any time on or after September 11, 2001, and who have been discharged under honorable conditions from active service, as indicated by the person's United States Department of Defense form DD-214 or by the commissioner of veterans affairs;
- (2) veterans with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs; or
- (3) any other veteran-owned small businesses certified under section 16C.19, paragraph (d).

In accordance with Minn. Stat. § 16C.19 (d), a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74. To receive a preference the veteran-owned small business must meet the statutory requirements above by the solicitation opening date and time. If you are claiming the veteran-owned preference, **attach documentation, sign and return the Veteran-Owned Preference Form with your response to the solicitation.** Only eligible veteran-owned small businesses that meet the statutory requirements and provide adequate documentation will be given the preference.

**GENERAL INSURANCE REQUIREMENTS**

The Contractor shall maintain insurance to cover claims, which may arise from operations under this Contract,

The Contractor shall not commence work under the Contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. The Contractor shall maintain such insurance in force and effect throughout the term of the Contract.

All coverages and limits shall remain in force and effect throughout the term of the Contract.

**NOTICE TO THE CONTRACTOR:**

The failure of the State of Minnesota to obtain a Certificate of Insurance, for the policies required under this Contract or renewals thereof, or failure of the insurance company to notify the State of the cancellation of policies required under this Contract shall not constitute a waiver by the Owner to the Contractor to provide such insurance.

The Owner reserves the right to immediately terminate the Contract if the Contractor is not in compliance with the insurance requirements and the Owner retains all rights to pursue any legal remedies against the Contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.

**NOTICE TO INSURER:**

The Contractor's insurance company(ies) waives its right to assert the immunity of the State as a defense to any claims made under said insurance.

**REQUIREMENTS FOR THE CONTRACTOR:**

The Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's performance under this Contract.

If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota.

The Contractor is responsible for payment of Contract related insurance premiums and deductibles.

If the Contractor is self-insured, a Certificate of Self-Insurance must be attached. Insurance companies must either (1) have an AM Best rating of A- (minus) and a Financial Size Category of VII or better, and be authorized to do business in the State of Minnesota or (2) be domiciled in the State of Minnesota and have a Certificate of Authority/Compliance from the MN Department of Commerce if they are not rated by AM Best.

The Contractor's Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

**POLICY REQUIREMENTS:**

**1. Workers' Compensation Insurance:**

Statutory Compensation Coverage. Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Minimum limits of liability:

Coverage B – Employer’s Liability  
\$100,000 Bodily Injury by Disease per Employee  
\$500,000 Bodily Injury by Disease Aggregate  
\$100,000 Bodily Injury by Accident

If Minn. Stat. § 176.041 exempts the Contractor from Workers’ Compensation insurance or if the Contractor has no employees in the State of Minnesota, the Contractor must provide a written statement, signed by the authorized signer of the Contract, stating the qualifying exemption that excludes the Contractor from MN Workers’ Compensation requirements.

If during the course of the Contract the Contractor becomes eligible for Workers’ Compensation, the Contractor must comply with the Workers’ Compensation Insurance requirements included herein and provide the State of Minnesota with a certificate of insurance.

Evidence of Subcontractor insurance shall be filed with the Contractor.

**2. Automobile Liability Insurance:**

The Contractor shall maintain insurance to cover liability arising out of the ownership, operation, use or maintenance of all owned, hired and non-owned autos, and in case any work is subcontracted the Contractor will require the subcontractor to maintain Automobile Liability insurance.

**A. Minimum Limits of Liability:**

\$2,000,000 - Per Occurrence – Bodily Injury and Property Damage Combined Single Limit

**B. Coverages:**

- Owned Automobile
- Non-owned Automobile
- Hired Automobile

Evidence of Subcontractor insurance shall be filed with the Contractor.

**3. General Liability Insurance:**

The Contractor shall maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the Contract.

**A. Minimum Limits of Liability:**

- \$2,000,000 - Per Occurrence
- \$2,000,000 - Annual Aggregate
- \$2,000,000 - Annual Aggregate applying to Products/Completed Operations

**B. Coverages**

- Premises and Operations Bodily Injury and Property Damage
- Personal & Advertising Injury
- Blanket Contractual
- Products and Completed Operations
- State of Minnesota named as an Additional Insured*

**Additional Insurance Conditions:**

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of this contract;
  - Contractor's policy(ies) will provide the State of Minnesota with thirty (30) days advance notice of cancellation, nonrenewal, or reduction in limits of coverage or other material change;
  - Contractor is responsible for payment of Contract related insurance premiums and deductibles;
  - If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
  - Include legal defense fees in addition to its liability policy limits; and
  - Obtain insurance policies from an insurance company having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better and must be authorized to do business in the State of Minnesota.
- C. The State will reserve the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.

The successful responder is required to submit acceptable evidence of insurance coverage requirements prior to commencing work under the contract.

**Minnesota State Lottery  
Sponsorship Evaluation Form**

Title of Sponsorship: \_\_\_\_\_ Date: \_\_\_\_\_

**I. SPONSORSHIP REQUIREMENTS**

	<b>Pass</b>	<b>Fail</b>
Lottery staff available to coordinate?		
Marketing budget is available?		
Adequate lead time to maximize participation?		
Fits into the current Marketing Calendar?		

*The Sponsorship must "pass" all of the Sponsorship Requirements in order to be considered a viable opportunity for the Lottery.*

**II. STRATEGIC VALUE OF PARTICIPATION**

	<b>No Value</b>					<b>High Value</b>
	0	1	2	3	4	5
Meets Current Lottery Marketing Plan Objectives						
Large on-site audience exposure						
Audience profile fits our target						
Builds retailer relationships						
Good promotional opportunities						
Additional promotional prize support						
Positive PR opportunities						
Adequate on-site product sales						
Extensive paid or non-paid media						
Intangible Risk is low						
Enhances Brand image						

**III. OVERALL ASSESSMENT**

	<b>Yes</b>	<b>No</b>	<b>Score</b>
Is the overall strategic value of participation score at least 25 in order to justify entering into negotiation?			

Name of Evaluator: \_\_\_\_\_

Signature of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_