

RFP – LC000066 Professional Media Advertising and Related Services Q&A (Phase II)

1. Can you clarify what 3rd draw means in draw station commitment documents, specific to WITN and WRAL/WRAZ? Are these commitments annual or quarterly?

The commitments are annual commitments and represent an agreed upon spend level for broadcast of lottery drawings on the station(s).

2. Is the ELOS draw station commitment of \$95,000 an annual, quarterly, or some other time period commitment?

The commitment is an annual commitment.

3. Budget / Billing Management (I.9): These sections state that media invoices will be paid only upon completion of media flights and only when accompanied by a notarized affidavit. Does this mean that media expenses can't be "advance billed" from an approved flowchart to ensure funds are in house to remit to vendors when vendor invoices are due? Or will the agency be responsible for fronting payment to media vendors within standard payment terms, or that North Carolina media vendors have agreed to extend payment terms?

Invoices will be paid when accompanied by notarized affidavits/warranty statements, not advance billed. We do not have any media vendors who request payment in advance. An agency is not responsible for payment until the agency receives funds from the lottery.

4. If a new agency partner is selected, what will be the offboarding / onboarding timeline? What are the first in-market dates for which the new agency would be responsible for planning, and what will be the first in-market dates for buys placed by the new partner? Assuming a timely award as outlined in the RFP, we would anticipate the Successful Contractor's first in-market date would be in October, the beginning of the lottery's second quarter. Onboarding will begin in July and is typically a 60-day process. The NCEL will prioritize onboarding for media that requires the earliest placement dates.

Media

5. Is there a standard formula NCEL uses for budget allocation across products, or do you prefer to see the agency's recommendations?

We would prefer to see an agency's recommendation but can share that we invest more heavily in the products that produce the highest sales for our lottery.

6. What level of detail is expected in each plan submitted for the Phase II assignment? Is the preference to see one holistic marketing plan or marketing plans by product? Do you prefer to see one aggregated flow chart? Or flowcharts for each of the two plans? Potential Contractors are not required to furnish completed materials; however, the assignment should be sufficiently detailed to enable the NCEL to evaluate accurately the

capabilities of Potential Contractor. As far as a holistic plan or marketing plans by product, either approach is acceptable. We do not wish to be overly prescriptive as to how the information is shared. The NCEL wants to come away with a thorough understanding of an agency's approach.

7. Can you share performance details for your paid search media buys related to Instant Scratch-Off and Digital Instant Games, including keyword conquest words?
This information is beyond the scope of the assignment. Additional details will be provided to the Successful Contractor as part of the onboarding process.

8. Why is there a daypart gate between 2 a.m. and 5 a.m.?
Is there any appetite to reconsider this if we can provide research supporting the benefits of maintaining a presence during this timeframe?
Assuming the question refers to broadcast media, we do not run past 1:05 am for TV and Cable. We don't run past midnight for Radio. The lottery gaming system downtime is 2am and 5am to allow for terminal updates. We are not interested in considering different cut-off times for broadcast media.

9. Can you clarify what "instant rollup" from the below list is related to?
Instant rollup means "all instant scratch-off sales." Sales are not being broken out by individual game or price point; they are being reported for the category.

<input type="checkbox"/> 2024		
<input type="checkbox"/> Digital		
Digital Instant	264,936	\$ 2,176,713,593
<input type="checkbox"/> Traditional		
INSTANT ROLLUP	6,324,531	\$ 2,922,346,435
Pick 3	372,078,739	\$ 420,063,449
Pick 4	204,454,193	\$ 198,876,456
Powerball	46,852,590	\$ 196,784,989
Mega Millions	28,064,498	\$ 113,271,975
KENO	7,690,210	\$ 76,694,175
Fast Play	8,336,653	\$ 57,746,842
Cash 5	19,760,938	\$ 46,436,491
Lucky For Life	6,808,606	\$ 25,720,662
Cash 5 EZ Match	3,509,712	\$ 5,276,420

10. For remarketing, what anonymized customer data (if any) is currently being used? Can we use this data across our media buying?

As noted in Phase I Q&A, the NCEL has CRM lists, loyalty data, and media insights that can

be shared with the Successful Contractor for use in compliance with applicable privacy and data security laws. However, these insights will not be shared during the RFP process. It is correct to assume that anonymized data can be used for targeting/remarketing purposes.

11. For CRM lists and Loyalty Data that will be shared with the successful contractor, can you provide any insight as to what CRM/Loyalty data you have and generally how it's segmented?

As noted in Phase I Q&A, the NCEL has CRM lists, loyalty data, and media insights that can be shared with the Successful Contractor for use in compliance with applicable privacy and data security laws. However, these insights will not be shared during the RFP process.

12. Is all customer data (CRM/Loyalty) permissioned to be used in digital advertising?

Please see response to question 10.

13. When considering net revenue, what is taken from gross to arrive at net? Within net revenue, does this exclude winnings that are reinvested?

Assuming the question refers to net revenue for lottery sales, net revenue is sales after prizes are paid.

Staffing Plan & Fee

14. Can you share any staffing plan insights that can help inform our plan? Where do you feel like staff is accurate, staff needs to be added and/or reduced?

The lottery defined the scope of work in detail. We look to the responding agency to make a recommendation as to appropriate staffing.

15. Can you provide any guidance on a fee range that is in line with your budget and/or expectations?

Potential Contractors are strongly encouraged to offer the lowest price, total cost, and highest value possible while keeping in mind that the Potential Contractor offering the lowest price and total cost may not be selected as the Successful Contractor because highest value along with innovation and the other evaluation criteria listed in the RFP will be used to determine the Successful Contractor.

16. Will we have the opportunity to augment our submitted staffing plan and fee based on your input?

The Phase II submissions are final, however, once an Apparent Successful Contractor is selected, the NCEL may, in its sole discretion, negotiate exclusively with that agency.

General

17. Can you share any feedback from Phase I submission and/or how we scored?

In accordance with North Carolina law, this information can be shared after the contract is awarded.

18. Can you elaborate on the phrase “be creative” as it relates to our cost proposal? Are you open to incentive or bonus structures?

Two additional forms are being shared to assist with the cost proposal response. Responding Contractors are required to submit an annual fixed fee for professional services. The fixed annual fee must be stated for years one, two, and three. Responding Contractors are reminded that the cost quotation should cover all of the services and other items covered and required by this RFP. Contractors are encouraged to submit a cost proposal that will provide best value solutions to the NCEL in order to maximize the NCEL’s transfer of funds to North Carolina educational programs. In addition to the required cost proposal, Responding Contractors may propose alternatives for the NCEL’s consideration.

Contract Period	Annual Cost	Per Month
1st Year (July 1, 2025 - June 30, 2026)	\$	\$
2nd Year (July 1, 2026 - June 30, 2027)	\$	\$
3rd Year (July 1, 2027 - June 30, 2028)	\$	\$

The NCEL is also including a Cost Proposal form for OPTIONAL services as outlined in the RFP. An agency is not required to offer these services but should provide a rate for any out-of-scope services identified in the RFP that can be provided by the Responding Contractor.

19. How and when will the final assignment presentation dates be determined, and are we able to request a specific date?

As noted in Phase I Q&A, presentations will take place May 19 – May 23, 2025. When Phase II Potential Contractors were notified on April 23, we provided available dates and times to them and will make every effort to secure times that are acceptable to all.

20. Can we change the format of the pre-submitted written technical proposal versus the in-person presentation – as long as we don’t change the strategy, flow charts, GRPs, allocation, etc.?

Note – we anticipate our written submission t have more verbiage than our in-person presentation. We just want to ensure that that’s within guidelines

The information should remain the same; the format can change. We anticipate the in-person presentation will need to be succinct.

21. Can we make recommendations on what types of games to produce themes and/pr content against?

No, this is outside the scope of the assignment and the contract.

22. Will the potential dismantling of the Department of Education impact funding of either NCEL or North Carolina school funds?

The NCEL is an independent agency of the State of North Carolina funded solely by the sale of lottery tickets and tasked with raising funds for public education through those sales. See N.C.G.S. §18C-110. As to the effect of future hypothetical situations, we cannot speculate about how future funding changes at the federal level may impact public education in North Carolina.

23. If the responding offeror is 100% SWaM and HUD certified, are additional minority contractors required?

As the RFP states in Attachment E, *Equal Business Opportunity Forms*, respondents must complete Affidavits A and B or Affidavit C. A minority owned agency will complete Affidavit C, *Intent to Perform Contract with Own Workforce*. Please note that the form(s) should be notarized.

24. For Attachment B – if offeror is not including any additional subcontractors, does NCEL require that the Attachment B Certification Form be filled out and included in submission perhaps as acknowledgement of receipt?

Attachment B is required for all Responding Contractors. Please review the form and you will see that it should be completed by the Responding Contractor and any Subcontractors. If there are no subcontractors, it is still necessary for the Responding Contractor to complete the *Background Disclosure Form* and the *Attachment B Certification*.

25. Is Attachment D to be included in the Phase 2 submission or is this required only after a contract is signed?

Attachment D is required with the Phase 2 submission. Please note that the form should be notarized.

26. Does Attachment G, Sample Contract, require any attention at this time or only if such contract is issued to offeror?

No action is required for Attachment G during Phase II.

27. Is Exhibit D for informational purposes only or does it need to be signed and returned with submission?

No action is required for Exhibit D at this time. Exhibit D is a mandatory set of terms that we will be requiring to be a part of any eventual contract entered into with the Successful Contractor.

However, if your question is regarding Attachment D, Attachment D is required with the Phase 2 submission. Please note that the form should be notarized.

28. Are you working with Outlink through NPI for attribution reporting?

No.

29. Can you share what your registration goals and first time deposit goals are for Jan - March?
It's stated that the goal is to increase that 15% but would love to know what the starting point currently is for these goals.

The challenge assignment is only for the purposes of the RFP and is not an actual goal for the period of January through March. A typical annual goal for the NCEL for first time depositors is a total of 144,000 FTDs (first time depositors).

30. Is tracking currently available through UTMs and/or SDKs to track registrations and first time deposits in real time so that tactics and creative can be tied back to conversions?

Yes.

31. If tracking in real time is not available, is NPI able to report on what registrations and deposits are coming in (through last touch attribution) via paid advertising? If they are can you provide us with the current % that you're seeing on a monthly basis from paid advertising?

This information is beyond the scope of the assignment. Additional details will be provided to the Successful Contractor as part of the onboarding process.

TV commitments:

32. Are these numbers for an annual buy?

Assuming this question relates to draw station commitments, yes these are annual commitments.

33. Are the dollars in net?

Assuming this question relates to draw station commitments, yes these are net dollars.

34. Does NCEL provide those percentages based on TV station draw show stations?

Draw Station commitments were shared with agencies as part of Phase II so that agencies would be aware of existing media commitments. Draw station partnerships allow the NCEL to air live drawings in an efficient manner providing transparency to players regarding the drawing process and allowing the NCEL to gain additional awareness without direct impact to its media spend.

35. Is there a particular structure for the Cost Proposal needs to follow?

Yes, please see the response to question #18.

36. Is it required to include Request for Proposal cover sheet in both the technical proposal and cost proposal or is it only necessary to include it with the Cost Proposal that will be provided separately?

Yes, the Request for Proposal Cover Sheet must be included with both the technical and cost proposal.

37. Does Page 32 of the provided RFP labeled “Professional Media Advertising and Related Services RFP Proposal Requirements Checklist” need to be provided back in the original & copies of the Technical Proposal with indication of what documents have been provided?
Yes.
38. If it is the Responding Contractors intention to fill out specifically Affidavit C and to complete all work, is it required to complete and provide back Attachment F?
*Yes, all Responding Contractors should complete Attachment F. The *Vendor Information Form* refers to the Responding Contractor.*
39. On Page 71 of the provided RFP, there is a list of exhibits from A - D. Are we to organize our technical proposals and cost proposals in the same order that is shown on that page? Do we provide page 71 exhibits A-D in both proposals or just one? If so which one?
No, that is simply an Exhibits list which provides a list of Exhibits to the proposed Sample Contract (Attachment G). Use the checklist provided on page 32 to make sure that all documents have been included. Be sure to keep the Cost Proposal separate.
40. For Attachment G, where a copy of what a contract would look like, is there any specific page that would need to be filled out as a requirement of the RFP and included in the technical proposal? If so, what information would need to be provided and on what page.
No action is required for Attachment G during Phase II. However, we suggest that your legal team review the contract to ensure that you are comfortable with the terms. As an agency of the State of North Carolina, the Commission is limited in its ability to accept certain provisions that are commonly found in commercial non-governmental contracts.
41. To whom do we need to make the check payable to for the background check and Corporate Search Fee as part of the cost proposal?
Make checks payable to the North Carolina Education Lottery.
42. Does the presentation deck have to match the technical proposal to a tee or can it be shortened for presentation purposes?
Please see the answer to question #20.
43. Can we provide a redacted version of the cost proposal?
Yes. However, an unredacted version of the cost proposal must still be provided. Please note that, in accordance with North Carolina Public Records Laws, pricing information is not confidential and cannot be redacted.
44. When filling out Attachment D, who specifically are getting background checks? Officers of the company or entire staff working on business or both? We are planning on Officers of the company i.e. board members, CEO.
For now, please submit Attachment D for all officers, directors, and owners as listed in Section 6.3 of the RFP. All Contractor Team members, as determined in the sole discretion

of the NCEL, of the Successful Contractor will be required to submit Attachment D prior to execution of the contract or, if hired after the execution contract, prior to working on the NCEL account.

45. Can you clarify what is needed on page 37 number 11 and 12. Are these business entities outside of the business submitting a response that may be involved in the contract? I.E. sister companies or sub contractors? IF there are none, does this need to be filled out? Same for question 12. And therefore, Attachment C and Attachment D do not need to be filled out. Is that accurate?

No that is not correct. The "Responding Contractor Team" refers to the Responding Contractor and any Subcontractors. Even if there are no subcontractors, you still must complete the forms for your agency. Your agency, as the Responding Contractor, will need to complete and submit Attachment C and Attachment D, answer the questions on Attachment B, and sign the Attachment B Certification.

46. Please confirm page 34 Attachment B is filled out if only Subcontractors are being used. If not it is N/A. Correct?

No, that is not correct. Attachment B is required for all Responding Contractors. Please review the form and you will see that it should be completed by the Responding Contractor and any Subcontractors. If there are no subcontractors, it is still necessary for the Responding Contractor to complete the *Background Disclosure Form* and the *Attachment B Certification*.

47. Please confirm page 34 Attachment C is for what exactly? Is that complying with the background check(s)?

Attachment B is on Page 34. It and Attachment C, on Page 40, are related to background investigations of the Responding Contractor and must be completed. Please refer to Section 6.3 of the RFP for additional information.

48. Should the cost proposal include travel fees for conferences as stated on page 7.

No, as stated the NCEL will be responsible for travel expenses and will reimburse the Successful Contractor for conferences and other travel required and approved by the NCEL.

49. Does the technical proposal and cost proposal need to be separated completely i.e. a box for the technical proposal and a box for the cost proposal, or can they be in their own envelop, but in the same box when submitted?

A separate envelope for the cost proposal is fine. They do not need to be shipped in different boxes.

50. Do you need copies of the cost proposal as well or just a singular original hard signed cost proposal? If copies are needed, how many?

A single cost proposal is acceptable.

51. Does the cost proposal need to be submitted on a USB drive as well?
Yes, however, it does not need to be submitted on a separate USB drive. It can be submitted on the same USB drive as the technical proposal, but it should be included in a separate folder.
52. Can you confirm in which proposal, technical or cost, should the last 3 years of financial statements be included in?
Last three years of financial statements are included along with the technical proposal.

Assignment

53. For the purpose of the assignment, what Scratch-Offs and Digital Instant games should we assume will be supported?
The assignment describes an average quarter and does not define game specifics. That is an average quarter with a scratch-off launch anticipated on the first Tuesday of each month and two to three Digital Instants launches within a month.

Product, Sales and Goals

54. Currently, what percentage of the budget supports digital instants?
Please consider current sales and goals as specified in the assignment and make a recommendation.
55. Are four new scratch-offs all launched on the first Tuesday of the month?
Yes.
56. How have Digital Instants impacted Scratch-Off sales to-date? Is there anything known about playership overlap across products?
The NCEL anticipates that there has been some cannibalization of scratch-off sales, but cannot quantify with an exact percentage or dollar amount. Sports betting has also launched recently in North Carolina and the NCEL anticipates that this too has had an impact on lottery sales.
57. Is mobile app traffic a priority in service of driving sales?
It is important in driving online sales for Digital Instants and online draw games. Players can set up an account and then play using the app or through the website.
58. Outside of the provided Jan-Mar, can you share goals for the remainder of the year?
The goal provided is for the purpose of the assignment only. The Successful Contractor will be provided with additional details as to actual goals.
59. What is the customer acquisition payback period for NCEL?
The goal is three months.

Customer

60. What share of lottery purchases are made in cash vs online pay?

For the purpose of the RFP, Digital Instant purchases are made through online pay as well as one third of draw games purchases for those games available online. The remaining draw game purchase and instant scratch-off purchase are made at retail through cash or debit.

61. Can you share any information on cannibalization? How many digital instant players are coming from scratchers?

Please see response to question #56.

Landscape

62. Can you share a retailer list that sells scratch offs? Is this list applicable to every DMA within North Carolina? This will inform OOH and answers to questions asked in RFI.

If the request is for a list of all NCEL retailers, we will not share that information. If the question refers to trade style, please know that the majority of retail locations are convenience stores and convenience stores with fuel. An estimated count by regional office is provided below. Lottery regions do not align exactly with DMAs, but should provide a reasonable estimate to assist.

Asheville	1,051
Charlotte	1,583
Greensboro	1,381
Greenville	821
Raleigh	1,738
Wilmington	1,016
Total Active	7,590

Measurement

63. Is media pixel tagging for performance tracking possible on the website and/or mobile app? If so, which touch points are currently being tracked?

Pixel tracking is possible. Generally, touch points being tracked include site visits, primary CTAs, registrations, deposits and/or sales.

64. Can you share information on time spent (app vs website)?

We have not seen a significant difference based on app versus website, but an average session for online play is 20 to 25 minutes.

65. Do you have an existing MMP and if so, who is it and what app events are looked at most closely?

No, we do not.

Data/Audiences

66. What is your current audience strategy?

Please review the segmentation data which has been shared.

67. Would you be able to share 1pd with us, specifically for Digital Instants? What does CRM list entail?

As noted in Phase I Q&A, the NCEL has CRM lists, loyalty data, and media insights that can be shared with the Successful Contractor. These insights will not be shared however during the RFP process.

68. What is the volume of CRM list? i.e How many records? What do fields consist of? Is it specifically of digital instants business? Or does it track debit card purchases of scratch offs as well?

As noted in Phase I Q&A, the NCEL has CRM lists, loyalty data, and media insights that can be shared with the Successful Contractor. These insights will not be shared however during the RFP process.

69. Can you share your current tech stack?

This information is beyond the scope of the assignment. Additional details will be provided to the Successful Contractor as part of the onboarding process.

70. Are you comfortable with remarketing efforts?

Yes.

71. Do you have an in-house analytics/marketing science team that does any LTV and churn modelling against your 1st party data set?

No, we do not.

72. Are you currently leveraging any 3rd party targeting?

No, not beyond that obtained through our segmentation work and the brand tracker.

Media

73. Can you share your network list for Linear TV and CTV?

No, we are looking for an agency's recommendation.

74. Can you share what dayparts you buy and the percent allocation?

No, we are looking for an agency's recommendation.

75. Do we need to provide R/F on a weekly basis? Typically, we would provide average 3 or 4-week.

Responding Contractors should provide reach and frequency in the manner they find appropriate.

Sponsorships

76. We understand that you have several in-venue / larger sponsorships in place – some with national exposure. Would this be considered in-scope? If so:

What are your key KPIs for sponsorships?

What resources are you currently leveraging to evaluate sponsorship performance (i.e. internal methodology, measurement vendor, agency partner, etc.)?

How are you currently activating sponsorships (i.e. experiential footprint, sponsored programming at events, leveraging partner IP, venue signage, etc.)?

As noted in Phase I Q&A, sports sponsorships, as well as community sponsorships, are part of the marketing budget and **not part of the media budget**. The media agency is not responsible for sponsorships. Sponsorships are managed by the NCEL. Responding Contractors can provide an hourly rate as described in the response for question #18 should the NCEL need marketing event assistance.

Final Presentation Logistics

77. Would you provide the list of NC Education Lottery attendees (in-person/virtual) that will be joining the Phase II presentation?

As noted in Phase I Q&A, Phase II participants will meet the evaluation committee during presentations.