



Request for Proposals

For

Market Research Services

For the

Minnesota Lottery

Date: February 6, 2017

Minnesota's Commitment to Diversity and Inclusion

The State of Minnesota is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to www.mmd.admin.state.mn.us/mn02001.htm.

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1. Introductory Letter to Prospective Research Partners

Dear Prospective Research Partners,

The Minnesota Lottery creates and sells products that encourage Minnesotans to experience the fun, thrill, and excitement of gaming while knowing their entertainment dollars are supporting their community and the environment.

Our continued success, brand awareness, and appeal are dependent on understanding our market, and in a broader sense, Minnesota's citizens.

The Minnesota Lottery is known for its innovative market and policy research, and we believe that the knowledge we have gained from this research has been a critical factor in our ability to grow in a challenging marketplace. We are inviting prospective research companies to submit their qualifications in preparation for the expiration of our existing contract, and will begin an open and competitive request for proposals.

We place a very high value on our research agency partnership and want a team that can work cooperatively with the lottery research and marketing staff to acquire and interpret the knowledge we need to create the right products and bring them to the right audience in the right way. While we recognize the continued value of traditional research methods, we seek a partner who can also provide innovative methods to answer new questions. In addition, we seek a partner who can make sophisticated analysis understandable and relevant to those who are not research experts.

We encourage you to review this request for proposals and determine if our needs are a fit for your company. In accordance with the RFP, please direct any questions to Carolyn Ross, contracts and purchasing manager, at carolynr@mnlottery.com.

We look forward to your response.

Michael Vekich
Acting Executive Director
Minnesota Lottery

2. Lottery Background Information

The Minnesota State Lottery, in operation since 1990, has a mission of offering “fun, innovative and secure games that provide responsible and ethical entertainment.” Twenty-four percent of Lottery sales are contributed to the State of Minnesota each year representing a major source of funding for the State and for important environmental causes as detailed on the “Where the Money Goes” page of our website (www.mnlottery.com).

To continue this funding for state programs, the Lottery needs to ensure that we enjoy the support of our citizens, that our marketing messages are favorably received, and that we understand the obstacles to our future growth. Our market research partner is a key ingredient in achieving our mission and operates as an extension of our lean research department. Through this RFP process, the Lottery aims to find a research partner or partners who will provide leadership in this complex and challenging field.

Key Lottery Challenges

The number of new Lottery players in the younger adult demographic segment (ages 25-44) has decreased significantly in the last five years as new media and retail patterns have emerged. For many in this target segment, the fundamental appeal of the product is missing as they have new entertainment options, do not regularly carry cash, are not entering Lottery retailers as often, have less opportunity to play, and, in some cases, have a misaligned perception of Lottery players. At the same time, Lottery loyalists (ages 55+) are playing less as they retire and change routines. While sales have remained relatively steady overall, the Lottery needs to more quickly and efficiently increase awareness and purchase intent among younger adult consumers. We need to select products that will continue to interest existing customers while at the same time attract new customers. We need to make greater use of non-traditional marketing channels and to remove the barriers that prevent potential customers from playing or discourage casual customers from playing more. At the same time we must remember that we are a public agency operating in a political environment, and therefore we need to consider the perceptions of those who are not likely to ever purchase our products.

Role for the Research Team

Given these challenges, the Lottery seeks a research company that can take a leadership role and provide the following:

- Expertise and understanding of best practices for understanding the younger adult demographic segment (ages 25-44) and providing findings that can be applied to development of relevant and innovative marketing and product strategies.
- The ability to understand and measure the diversity within the lottery market in terms of demographics, motivations, beliefs, and perceptions not only as customers but as citizens.
- Expertise in the assessment of new products.
- Expertise in the evaluation of marketing communications.
- Knowledge of methods used to understand brand perception.
- The ability to clearly communicate findings to key decision makers.

Key Qualifications

The ideal company will be intimately familiar with the strengths and weaknesses of a wide range of quantitative and qualitative research techniques. They will be eager to work as partners with an experienced lottery research team that is willing to innovate. They will be willing to learn the unique challenges facing the lottery industry but be able to provide insights from their experience with other types of business. Finally, they will know how to communicate the results from sophisticated methods to a non-technical audience and to make their findings clearly relevant to key decision makers.

The Lottery encourages research companies who may have strength in one of these areas but not another to bid with one or more partner agencies as subcontractors.

General Lottery Information

General Information

The State of Minnesota has a population of approximately 5.5 million. Approximately 60 percent of the state's population lives in the Minneapolis-St. Paul metropolitan area. Other metropolitan areas include Duluth (approx. 100,000), Rochester (approx. 100,000), and St. Cloud (approx. 60,000). According to the Census Bureau, 70 percent of the state's population is considered urban. The 2000 Census reported that 15 percent of the state's population is non-white. General information regarding the Lottery can be found on the Lottery's website at www.mnlottery.com.

Lottery Organization

An organizational chart of the Lottery is included as Appendix C.

Lottery Games

There are two (2) types of Lottery games: lotto games and scratch games. Lotto games are printed by the Lottery's terminals located at retail stores. Scratch games are pre-printed tickets containing play data under a latex coating. Scratch games are primarily developed by the companies that produce/print the tickets for the Lottery, with guidance from the Lottery's game development staff. Scratch games are also designed internally by Lottery staff and the Lottery's advertising agency.

The Lottery currently conducts nine lotto games. Gopher 5®, Daily 3®, Northstar Cash® and Print-N-Play™ games are conducted solely by the Minnesota State Lottery, while Powerball®, Mega Millions®, Lucky For Life™, All or Nothing™, and Hot Lotto™ are conducted in conjunction with the Multi-State Lottery Association (MUSL). The Lottery also offers the Minnesota Millionaire Raffle™ game for a limited time each year.

Last fiscal year, the Lottery introduced 68 new scratch games at price points from \$1 to \$50 per ticket, with approximately 24 games being available for sale at any one time. Information regarding the Lottery's current scratch games may be found at the Lottery's website.

Lottery Retailers

The Lottery currently contracts with approximately 3,100 retailers throughout the State to sell its lottery tickets. Lottery games provide both a competitive advantage and a revenue enhancement for Minnesota businesses.

Of the total number of lottery retailers, 66% are convenience stores, 12% are supermarket/grocery stores, 9% are liquor stores, and 13% are miscellaneous retailers. Convenience stores account for 80% of tickets sold and supermarkets/grocery stores account for 15% of tickets sold. All other categories contribute only 5% of sales.

Retailers are compensated by the Lottery with a commission of 5.5% on sales and a 1% on tickets redeemed at the store. In addition, retailers are eligible to receive additional compensation through incentive programs offered by the Lottery. Incentive programs include cash rewards of \$500 to \$50,000 for selling a lotto game jackpot or a scratch ticket top prize.

Research Overview

The Lottery has a Research and Planning Department that includes a Research and Planning Director and a Senior Research Analyst. This department conducts research pertaining to lottery marketing, sales, and operations as well as on topics related to broader questions of public policy. Studies are conducted both internally and with the assistance of outside vendors. **The FY16 budget for externally provided market research services was \$300,000. We expect this amount to remain relatively stable.**

The Lottery conducts annual telephone surveys of Minnesota adults through a separate contract with St. Cloud State University (“SCSU”). This survey asks about participation in the Lottery’s specific lottery games, and other forms of gambling. It also measures public attitudes towards the Lottery and gambling, awareness of lottery beneficiaries, and other items relating to public policy. While the survey provides much valuable information for marketing purposes, including a demographic profile of lottery players, the emphasis has been on the collection of information for policy-making purposes. In addition to the annual survey, SCSU has conducted special surveys for the Lottery from time to time. The Lottery anticipates that this relationship with SCSU will continue.

In the past five years the Lottery has conducted four market segmentation studies: A 2010 study segmented the general population, a 2012 study segmented those playing scratch games, a 2014 study segmented the “gamer” market, and most recently, a 2016 study segmented the young adult (18-34 year old) population.

In 2013 the Lottery conducted a major quantitative and qualitative study of barriers to playing lottery games. This study required the collaboration of two research vendors. The Lottery has also conducted several studies of the leisure habits, event attendance, media habits, and technology use of Minnesota adults, particularly lottery players. The most recent of these was conducted in conjunction with the young adult segmentation study described above.

In addition to the annual SCSU telephone survey, the Lottery conducts a continuous tracking

survey of lottery play, advertising awareness, and brand perception that currently samples 200 Minnesota adults every week. Other recent research includes quantitative and qualitative scratch ticket concept testing, a survey on knowledge of lottery beneficiaries, and a now-discontinued custom research panel.

3. Information Regarding this Request for Proposal

The Lottery is committed to a fair and open process to provide the best value for the Lottery and its good causes. Value is a combination of the best services at the best possible price as described below. This section provides the rules of the road for this process. Please review this section closely.

3.1. Proposal Instructions and Contents

All proposals must be sent to and received by:

Carolyn Ross
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113

Not later than 2:00 p.m. (Central) on February 22, 2017.

Late proposals will not be accepted. Research firms must submit one (1) original and four (4) copies of their written submission. Firms must submit one (1) original and one (1) copy of their price proposal. Proposals are to be sealed in mailing envelopes or packages with the name and address clearly written on the outside. An authorized member of the agency or lead agency must sign the original written and price proposal in ink. **Price proposals must be separately sealed. No price information shall appear in any portion of the response to the RFP.**

3.1.1. Sole Point of Contact and Written Questions

The Lottery is the sole point of contact regarding all procurement and contractual matters relating to the services described herein. Once issued, the Lottery is the only office authorized to clarify, modify, amend, alter or withdraw specifications, terms and conditions of this RFP and any contract awarded as a result of this RFP. All communications concerning this RFP must be addressed to:

Carolyn Ross
Purchasing Manager
Minnesota State Lottery
2645 Long Lake Road
Roseville, MN 55113
Fax: 651-635-8188
E-mail: carolynr@mnlottery.com

Agencies are encouraged to submit written questions. **Initial written questions must be received by the Lottery no later than 2:00 p.m. (Central) on February 13, 2017.** Telephone inquiries will not be answered, although questions may be mailed or e-mailed.

On or before February 16, 2017, the Lottery will issue official answers to questions submitted. The answers to all questions will be posted on the Lottery’s website at www.mnlottery.com/vendors. Answers that materially impact the requirements of the RFP shall be considered as amendments to the RFP and agencies will be so notified. No other modification of the requirements of the RFP, except by the issuance of amendments, shall be recognized.

3.2. Schedule

This RFP process will proceed in two stages:

First, firms will submit written statements of qualifications outlining their qualifications in areas of research outlined below. Firms will also be asked to submit a proposed price for a common research project. These written qualifications will be scored by the review committee. The Contract Administrator will open and score the proposed price for a common research project. The Contract Administrator and the review committee will designate between two and four bidders as finalists.

Second, the designated finalists will be invited to respond to four (4) exercises both in writing and via a webcast or conference call. The designated finalists will also provide a price at which they agree to execute two (2) specified research exercises. Prior to the finalist presentations, finalists will have the opportunity to ask additional questions. The review committee will score the finalist presentations. The Contract Administrator will then open and score the price proposals of the finalist agencies.

The apparent successful winner of this RFP will be determined by the finalists’ total scores in the final round.

The time and critical dates for awarding a contract under this RFP are as follows:

Event	Date
RFP Issued	February 6, 2017
Deadline for Written Questions	February 13, 2017 at 2:00 p.m.
Answers to Questions Posted.....	February 16, 2017
Written Proposals Due	February 22, 2017 at 2:00 p.m.
Finalists Designated and Assignment Issued.....	on or before March 7, 2017
Finalist Written Questions Due.....	March 13, 2017 at 2:00 p.m.
Answers to Finalist Questions Posted.....	March 16, 2017
Finalist Written Proposals Due	March 21, 2017 at 2:00 p.m.
Finalist Presentations	March 27-28, 2017
Apparent Winning Proposal Designated.....	On or before March 29, 2017

These dates are for informational and planning purposes and may change during the course of the procurement process at the discretion of the Director of the Lottery. Potential bidders will be informed of any material change.

3.3. Written Proposal Content

Written proposals should include all of the information, requested in Section 4. **Written proposals shall be no more than 30 single-sided pages, using reasonable formatting.** The required forms found in Appendix A (and described in Section 3.7.1), any exceptions to the proposed contract, financial statements, work samples, and other required documents should be attached to the written proposal and do not count towards the page limit.

Price proposals should include all of the information requested in Section 5. Price proposals should be in the format found in Section 5.

3.4. Evaluation

All responses received by the deadline will be evaluated by a review committee comprised of representatives of the Lottery. Responses will first be reviewed for responsiveness to determine if the pass/fail requirements have been met. Proposals that fail to meet minimum requirements will not advance to the next phase of the evaluation.

A 100-point scale will be used to determine the designated finalists:

Written Proposal Criteria	Maximum Points
Company Philosophy, Strengths, and Capabilities	20
Relevant Company Experience	20
Work Samples	10
Case Study	25
Staffing Proposal and Key Biographies	15
Price	10

The Contract Administrator and the evaluation committee will name two (2) to four (4) finalists based on the 100-point scores from the initial round of review. The Lottery may name additional finalists after the initial finalists are named.

Shortly after naming finalists, the Lottery will present each finalist with four (4) research assignments. Each finalist will (A) submit a written research plan for all four assignments; (B) present their research plans during a two (2) hour webinar or conference call; and (C) provide a price at which they agree to execute two specified research assignments.

The research plans and presentations will be scored on a 300-point scale and the additional price proposals will be scored on a 200-point scale:

Finalist Criteria	Maximum Points
Finalist Written Proposal	100
Finalist Presentation.....	100
Finalist Qualifications.....	100
Finalist Price Proposal	200

The finalist with highest score in the finalist round will be recommended by the evaluation committee as the apparent successful bidder.

3.4.1. Pass/Fail Criteria

The following will be considered on a pass/fail basis for the first round of written proposals:

1. Written proposals must be received on or before the due date and time specified in this solicitation.
2. Firm staff must have at least five (5) years of qualitative and quantitative market research experience in lottery, gaming, or consumer goods.
3. The written proposal must not exceed thirty (30) pages, using reasonable formatting.
4. All required forms are included as specified in section 3.7.1.
5. Required corporate information included as specified in section 4.6.

If all pass/fail requirements are met, written proposals shall be evaluated by the review committee on a 100-point scale as outlined above.

3.4.2. Pricing

Cost proposals of bidding firms will be scored independently by the Contract Administrator. The review committee will not consider cost proposal scores. The lowest priced bidder will be awarded maximum points, and more expensive proposals will be scaled to the lowest-price finalist. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal. As discussed below, the winning firm will be held to the price submitted in their Proposal for the initial term of the contract.

3.4.5. Negotiation and Recommendation

After review and approval of the recommendation of the evaluation committee by the Lottery Director, the Lottery will begin to negotiate a Contract with the firm that has been recommended by the evaluation committee. Contract negotiations will not address changes to material terms and conditions, services, products, options or pricing for performance of the Contract unless for the clear benefit of the Lottery. The firm will be held to the terms submitted in their Proposal, but may be required to reduce costs depending upon aspects of the proposed program that may be determined by the Lottery to be unnecessary or not cost effective.

First consideration will be given to the finalist with the highest points in the final round. In the event that contract negotiations are unsuccessful, the agency with the next highest number of points will be selected for consideration.

The final award decision will be made by the Lottery Director. The Lottery Director may accept or reject the recommendation of the evaluation committee.

3.5 Proposed Contract

The Lottery intends to enter a Master Contract and one or more Work Order Contracts with its research partner.

You should be aware of the State's standard contract terms and conditions in preparing your response. A sample State of Minnesota Professional/Technical Services Master Contract is attached for your reference as Appendix B. This master contract is not a guarantee of a work order contract. The Lottery has determined that it may have need for the services under a master contract, but does not commit to spending any money until a work order contract is signed.

Much of the language reflected in the contract is required by statute. If you take exception to any of the terms, conditions or language in the contract, you must indicate those exceptions in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

3.6. Term

The term of this contract is anticipated to run two years from the execution of the contract, with the option to extend an additional three years in increments determined by the Lottery.

3.7. General Requirements

The following general requirements and rules apply to this RFP.

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.

Background Investigations during the Contract Term

The Responder shall allow authorized personnel designated by the Lottery to interview any employee or employee of a subcontractor or authorized agent related to the Contract in conjunction with any audit, review or investigation deemed necessary by the Lottery. The Lottery or authorized personnel may conduct a background investigation of the Successful

Vendor, all of its principals and each individual assigned to the project pursuant to Minnesota Statutes, Section 349A.07, subdivision 2. The Lottery shall have the right to also conduct a background investigation of any subcontractor that will conduct an information system audit or a security assessment audit under the Contract.

Rejection/Selection of Proposals

The acceptance of a Proposal submission will not diminish the Lottery's right to negotiate specific Contract terms, including price, with the apparent Successful Vendor. This request for proposal does not obligate the state to award a contract or complete the project, and the state reserves the right to cancel the solicitation if it is considered to be in its best interest. The Lottery reserves the right to:

- Reject any or all Proposals received in response to the RFP if the Lottery determines that it is in the best interests of the Lottery to do so.
- Reject any Proposal which is conditional or incomplete.
- Advertise for new Proposals.
- Abandon the solicitation of such requested products and/or services.
- Award in whole or in part a Contract deemed to be in the best interests of the Lottery.

The Lottery will notify in writing and/or via email, those Vendors who submit a Proposal in response to the RFP, but who are not awarded a Contract (the unsuccessful Vendors).

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, Minn. Stat. § 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.

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.

Best & Final Offers

The Lottery reserves the right to request Best & Final offers by the Vendors. The Lottery reserves the right to select the number of Vendors for the Best & Final offer. The evaluation scores may be revised as a result of the Best & Final offer.

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

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 will receive a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal. Eligible TG businesses must be currently certified by the Materials Management Division prior to the solicitation opening date and time. For information regarding certification, contact the Materials Management Helpline at 651.296.2600, or you may reach the Helpline by email at mmdhelp.line@state.mn.us. For TTY/TDD communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529. Certified Targeted Group Businesses should indicate their status as part of the Price Proposal.

Vendor Contact with the Lottery

Upon RFP publication, the restrictions on Vendor communications described in this section are instituted to protect the integrity of the procurement process. A Vendor and its agents may not make unsolicited contact with any Lottery personnel or public official of the State regarding the

RFP. A Vendor should not represent themselves to Lottery staff or Lottery Retailers as having the endorsement of the Lottery. A Vendor who is currently doing business with the Lottery may continue to do so; however, any communication regarding the RFP, not otherwise permitted in the RFP, is prohibited. The Lottery will disqualify a Vendor for intentionally causing a material violation or circumvention of the requirements of this section.

Incurred Costs Associated with the Proposal Submission

Neither the Lottery nor the State will be liable for any of the Vendor's costs associated with submission of a proposal in response to this RFP.

Change of Ownership/Financial Condition

If a Vendor (including the parent or holding company of the Vendor) experiences a material change in its ownership or financial condition after its Proposal has been submitted and prior to the execution of a Contract with the Successful Vendor, the Vendor (or its parent or holding company) must notify the Lottery's Contracts & Purchasing Manager in writing at the time the change occurs or is identified by the Vendor.

News Releases and Advertising

News releases pertaining to this RFP or the services, study, data or project to which it relates cannot be made subject to Minnesota Statute Chapter 13. By submitting a Proposal, the Vendor agrees not to use the Lottery's name, logos, images or any other data or information related to this procurement process, or the Contract resulting thereof, as a part of any press releases or commercial advertising without prior written approval by the Lottery.

The results of the RFP process must not be released by any Vendor and will only be made by the Lottery following successful completion of contract negotiations with the successful vendor.

Debriefing

An unsuccessful Vendor will be given the opportunity for a debriefing with the Lottery. The Contracts & Purchasing Manager will schedule any debriefing after the Contract has been executed with the Successful Vendor. The debriefing may be held as a personal meeting or as a phone conference according to the preference of the respective unsuccessful Vendor.

Insurance Requirements

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. Contractor shall maintain such insurance in force and effect throughout the term of the contract. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

1. **Workers' Compensation Insurance:** 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. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee

\$500,000 – Bodily Injury by Disease aggregate
\$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota 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 herein and provide the State of Minnesota with a certificate of insurance.

2. **Commercial General Liability Insurance:** Contractor is required to 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. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence
\$2,000,000 – annual aggregate
\$2,000,000 – annual aggregate – Products/Completed Operations

The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability
Products and Completed Operations Liability
State of Minnesota named as an Additional Insured, to the extent permitted by law

3. **Commercial Automobile Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property Damage

In addition, the following coverages should be included:

Owned, Hired, and Non-owned Automobile

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**

This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract.

Contractor is required to carry the following **minimum** limits:

\$2,000,000 – per claim or event
\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.

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 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;
- 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;
- Contractor's policy(ies) shall include legal defense fees in addition to its liability policy limits;

- Contractor shall obtain insurance policy(ies) from insurance company(ies) having an “AM BEST” rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An 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.

The State reserves 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 Certificates of Insurance acceptable to the State of MN as evidence of insurance coverage requirements prior to commencing work under the contract.

E-Verify Certification (In accordance with Minn. Stat. §16C.075)

By submission of a proposal for services in excess of \$50,000, Contractor certifies that as of the date of services performed on behalf of the State, Contractor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. In the event of contract award, Contractor shall be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mmd.admin.state.mn.us/doc/EverifySubCertForm.doc>. All subcontractor certifications must be kept on file with Contractor and made available to the State upon request.

3.7.1. Required Forms

Each firm must submit the following Required Forms with their written proposal.

Certification Regarding Lobbying

Each responder must complete the attached Certification Regarding Lobbying and include it with the response. The Certification should be attached to the written proposal.

Affirmative Action Certification

For all responses estimated to be in excess of \$100,000, responders are required to complete the attached Affirmative Action Data page and return it with the response. As required by Minnesota Rule 5000.3600, “It is hereby agreed between the parties that Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400 - 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400 - 5000.3600 are available upon request from the contracting agency.” The Certification should be attached to the written proposal.

Equal Pay Certification

If the Response to this solicitation could be in excess of \$500,000, the Responder must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an

exemption prior to contract execution. A responder is exempt if it has not employed more than 40 full-time employees on any single working day in one state during the previous 12 months. Please contact MDHR with questions at: 651-539-1095 (metro), 1-800-657-3704 (toll free), 711 or 1-800-627-3529 (MN Relay) or at compliance.MDHR@state.mn.us. The Certification should be attached to the written proposal.

Affidavit of Noncollusion

Each responder must complete the attached Affidavit of Noncollusion and include it with the response. The Affidavit should be attached to the written proposal.

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 veterans. 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. Only eligible veteran-owned small businesses that meet the statutory requirements and provide adequate documentation will be given the preference. If you are claiming the veteran-owned preference, attach documentation, sign and return the Veteran-Owned Preference Form with your written proposal.

4. Written Proposal

The Lottery wants to get to know your business and what you can bring to our account. With that in mind, using reasonable formatting, please answer the following questions in 30 pages, at most. Don't feel obligated to use all 30 pages.

4.1 Company Profile

Please provide the following information. Include information regarding any subcontractors or other agencies that you have chosen to partner with in this response.

4.1.1. Business Philosophy and Core Capabilities

Provide a brief synopsis of your core business philosophy.

Provide a list of market research capabilities that you would bring to the Minnesota Lottery. While we are interested in all services you might offer, in particular, please address your capabilities in the following areas:

- Survey research
- Market segmentation
- Evaluation of advertising effectiveness
- Brand awareness and perception
- Product concept testing
- Qualitative research

4.1.2. Client Service Philosophy

How do you typically manage the client/research company relationship? In particular, what is your preferred approach for client involvement in the research process?

4.2 Relevant Experience

Summarize your relevant experience working with lotteries, gambling, or consumer goods. Note that lottery experience, while a plus, is *not* a requirement for this contract. In addition, please describe your experience (with examples) in each of the areas listed in section 4.1.1.

4.3. Work Samples

The Minnesota Lottery places a premium on the ability to clearly communicate relevant research findings. To this end, please provide two examples of written reports or presentations provided to clients that demonstrate your ability to present actionable findings to non-research experts. We recognize that client confidentiality may require removal or alteration of identifying information and certain data or findings. These samples do not count towards the 30 page limit specified in section 3.3. Please note that bidders may elect to classify and mark these samples as “trade secrets” if they meet the standards outlined in the “Disposition of Responses” portion of section 3.7.

4.4. Staffing Proposal and Key Biographies

Provide us with a list and biographies of key staff who would work on the Minnesota Lottery account, including relevant experiences and expertise.

4.5 Case Study

An example of a study that the lottery may undertake is a segmentation of the Minnesota gambling market. Please describe in detail how you would conduct such a study. This description should include your proposed mix of qualitative and quantitative methods, a detailed statement of methodology, including proposed sample size, sampling method, sample frame, data quality control procedures, methods by which the sample would be divided into segments, a description of the types of questions that would be asked, and the rationale for the method you are proposing. If you are proposing a qualitative component to this study, describe the methodology you would use for this portion as well. Assume that deliverables will include a written report, a half-day presentation to Minnesota Lottery staff, and a data file in SPSS format.

Please note that the quantitative portion of this case study will also serve as the basis for the pricing evaluation described in section 5. The technical merits of your segmentation study proposal, however, will be evaluated separately from the price. It will therefore be advantageous to propose a method that provides the best value to the Minnesota Lottery—one that is sound on its merits while recognizing that research budgets are limited.

4.6. Agency Corporate Information

Provide the following general information for your agency and all proposed subcontractors or partners. If any of the following information cannot be provided please provide a justification.

- The name and address of the Agency submitting the Proposal.
- Type of business entity (e.g. Limited Liability Corporation, partnership, etc.).
- Place of incorporation or legal address where other form of organization is domiciled.
- The name, addresses, telephone number, and email address of the Agency's primary contact for the purpose of this RFP.
- Name and location of the major offices, if applicable, that relate to the Agency's performance as proposed in its proposal.
- The names, addresses, and functions of any and all subcontractors, associated companies or consultants that have been or will be involved in any phase of the project or services being procured in this RFP.
- The name(s) of any and all law firms and/or individuals representing the Agency within the State.
- Any substantial change of ownership in the Agency or the Agency's parent or holding company that occurred since January 1, 2009. Pending changes should be disclosed to the extent permitted by law and by regulatory agencies.

- Copies of audited or reviewed financial statements for its two (2) most recent fiscal years. The Lottery reserves the right to require any additional information necessary to determine the financial integrity.

5. Pricing

Please provide your total project cost for the quantitative portion of the Case Study described in section 4.5, including deliverables. To facilitate comparisons, assume for the price proposal only that quantitative surveys will be done with a sample size of 1000. The case study itself may propose larger or smaller samples. Please clearly state all assumptions and contingencies. (Qualitative work such as focus groups may be included as options in your response to the case study, but should not be included in the submitted cost.) **Your response to this section must be provided in a clearly labeled separately sealed envelope and may not be referenced in any other portion of this proposal.**