



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Solicitation

NUMBER
LOT499

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
CONNIE OSWALD 304-558-2157

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

WEST VIRGINIA LOTTERY

 900 PENNSYLVANIA AVE
 CHARLESTON, WV
 25302 304-558-0500

DATE PRINTED
06/06/2013

BID OPENING DATE: 06/18/2013 BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
ADDENDUM NO. 2						
1.				TO PROVIDE ANSWERS TO QUESTIONS RECEIVED FOR THIS SOLICITATION.		
2.				TO PROVIDE AN ADDITIONAL QUESTION PERIOD WHICH WILL END ON JUNE 10, 2013. SUBMIT QUESTIONS VIA EMAIL TO THE BUYER AT: CONNIE.S.OSWALD@WV.GOV		
3.				TO PROVIDE THE ADDENDUM ACKNOWLEDGMENT. THIS DOCUMENT SHOULD BE SIGNED AND RETURNED WITH YOUR BID. FAILURE TO SIGN AND RETURN MAY RESULT IN DISQUALIFICATION OF YOUR BID.		
END OF ADDENDUM NO. 2						

SIGNATURE		TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

SOLICITATION NUMBER: LOT499

Addendum Number: 02

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

1. To provide answers to questions received for this solicitation.
2. To provide an additional question period which will end JUNE 10, 2013.
3. To provide the addendum acknowledgment.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgment should be submitted with the bid to expedite document processing.

ATTACHMENT A

WEST VIRGINIA LOTTERY
LOT499
ADDENDUM 2

QUESTION 1. Regarding the pricing page, the total hours for all categories is 61,837 hours. This would be the equivalent of approximately 30 full-time staff members. Is this accurate or are there other costs included in this--other than agency time and other than those noted in 5.1.1, 5.1.2, and 5.1.3? An example illustrating the question might be the Outdoor Ads line item for 8,010 hours. Am I correct in understanding that the requirement would be for 8,010 hours, approximately three full-time staff members, to manage and execute outdoor ads?

ANSWER 1: ADDENDUM 1 clarifies the ESTIMATED HOURS provided on the Pricing Page.

QUESTION 2. I understand that the hours on the pricing page are based on 2012 efforts. Were the hours used in 2010 and 2011 also at this level?

ANSWER 2: No. Hours used in 2010 and 2011 were not at this level.

QUESTION 3. Will there be any minimum guarantee of billable hours?

ANSWER 3: No.

QUESTION 4. Regarding the bid process, will there be an initial selection of qualified agencies who will then present proposals in person?

ANSWER 4: Qualified Vendors shall submit their bid through WV Purchasing Division and follow standard purchasing procedures. There will not be any "in person" presentations.

QUESTION 5. Would you please help me understand a bit more about the type of work required for line 20 "Marketing Supplies and Promotions" on the pricing page?

ANSWER 5: Line 20 requires the Vendor to acquire marketing supplies and promotional items. Detailed information for Marketing Supplies and Promotions are explained and required by Sections 2.15, 3.7, 4.2, and 4.23.

QUESTION 6. Regarding the proposal document for submission, is there a specific requirement for the format such as size, type style, spacing, etc.? How many convenience copies are requested?

ANSWER 6: Any legible font, size, type, style and spacing is appropriate for bid submission. Vendors should provide three (3) convenience copies.

QUESTION 7. Conflict of interest: Will WV lottery consider it a conflict of interest if vendor's partners and preferred subcontractors currently provide services to lottery organizations outside the state of WV?

ANSWER 7: No.

QUESTION 8. Would you share the total actual number of agency hours paid to support the Lottery in 2010, 2011 and 2012?

ANSWER 8: No. The Lottery Marketing budget from 2010 and 2011 are not representative of current or projected budgets.

QUESTION 9. For the response to the RFQ, is it acceptable to include a CD with video examples to communicate and support the agency qualifications?

ANSWER 9: Yes, but it is not required. The submission of any material by the Vendor will not be evaluated. Vendors must meet the qualifications listed in this RFQ.

QUESTION 10. Regarding item 4 on page 8 of the RFQ, when would the "notice to proceed" be issued? When would the contract be awarded, if this is a different date?

ANSWER 10: Reference Item 3, Page 7 of the Solicitation.

QUESTION 11. Page 35 of the RFQ is titled, "ADDENDUM TO THE GENERAL TERMS AND CONDITIONS". Is this an addendum for which we should acknowledge receipt on page 44, the "Addendum Acknowledgement Form"?

ANSWER 11: No.

QUESTION 12. Are agencies expected to address their qualifications in regard to the requirements listed in the RFQ, or, by submitting a bid, are agencies agreeing that they meet all requirements listed in the RFQ?

ANSWER 12: By submitting a bid, Vendor certifies that Vendor meets all qualifications and requirements. There are items that the Lottery may request, such as financial statements (Section 3.6).

QUESTION 13. How is the 2.5% West Virginia vendor preference calculated? Will the preference be applied to the pricing submitted in the cost worksheet?

ANSWER 13: Reference Item 21, Page 11 of the Solicitation and the Resident Vendor Preference Form in the Solicitation. Yes the RVP will be applied to the Grand Total Cost listed on the Pricing Page.

QUESTION 14. The RFQ mentions a HIPAA Business Associate Addendum for covered agencies – is the West Virginia Lottery a covered agency, and must we complete the addendum at this point?

ANSWER 14: The West Virginia Lottery is not a covered entity.

QUESTION 15. How many convenience copies of the RFQ response would you like vendors to submit?

ANSWER 15: Any legible font, size, type, style and spacing is appropriate for bid submission. Vendors should provide three (3) convenience copies.

QUESTION 16. At the time of bid, are we to submit page 40, the form which states, “This agreement constitutes the entire agreement between the parties, and there are no other terms and conditions applicable to the licenses granted hereunder”?

ANSWER 16: Yes.

QUESTION 17. Are bidders to include all of the required forms in the same envelope as the cost proposal, or should the cost proposal be sealed separately? If the cost proposal should be sealed separately, is there a preferred format for submission of all other required forms?

ANSWER 17: Requested forms should be submitted with the Pricing Page.

QUESTION 18. If we anticipate hiring a new person(s) to work on the Lottery business for our company, are we required to state the name of the individual(s) we will have assigned to the Lottery OR can we place TO BE HIRED in the response?

ANSWER 18: Section 3.10 states that the Vendor must have experienced staff to be dedicated to the Lottery's account, current business strategies, and infrastructure in place upon bid submission to service the Lottery account.

QUESTION 19. What is the anticipated effective date for the award of the Contract for the initial Contract Term?

ANSWER 19: July 1, 2013-June 30, 2014.

QUESTION 20. When does the West Virginia Lottery's contract with the current Vendor for marketing services and related services expire?

ANSWER 20: The contract with the current Vendor expires on June 30, 2013.

QUESTION 21. If the Contract is awarded to a Vendor other than the incumbent Vendor, what is the anticipated length of the transition period for the new Vendor to take over the Contract?

ANSWER 21: Transition begins upon Contract Award.

QUESTION 22. The Pricing Page lists the categories for twenty (20) individual Services the Vendor is expected to provide to the West Virginia Lottery. The RFQ provides definitions for some of these Services, including Creative/Art Direction or Planning (Section 2.4), General Account Management (Section 2.6), Media Planning and Buying (Section 2.11), Public Relations (Section 2.16), Research (Section 2.17), Website Development (Section 2.21), and Website Maintenance (Section 2.22). What is meant by the following Services that are not defined in the RFQ?

DIGITAL

Web Hosting & Dominion

PRODUCTION

Printing

Film Production

PROMOTIONS

Sponsorship-Collegiate/Fairs & Festivals
Marketing Supplies and Promotions

ANSWER 22: The following definitions shall be considered a part of Section 2 in the RFQ. “Web Hosting and Domain (Dominion)” means maintenance of established space on a server through a third party world wide web host provider.

“Printing” means production of various Lottery point of purchase items, informational pieces, brochures, newsletters, and any other production items that require a commercial printing company.

“Film production” means administration, direction, and oversight by the Vendor that includes preplanning, shooting, and editing film creations for the Lottery.

“Sponsorship-Collegiate/Fairs & Festivals” means organized events by outside entities that may be supported by the Lottery.

“Marketing Supplies and Promotions” means the point-of-sale materials, promotional items, Lottery apparel and accessories for players, ticket dispensers, drawing equipment and other semi-permanent items and signage for use at the retailer level.

QUESTION 23. Based on the Estimated Hours (Based on FY 2012) shown on the Pricing Page, the West Virginia Lottery estimates that the amount of time for contract services required on a fiscal year basis totals 61,837 hours – an amount equivalent to more than thirty (30) full-time Vendor employees assigned to service the West Virginia Lottery account. At the pre-bid conference, Lottery officials acknowledged the 60,000 plus hours and were listed for estimating purposes on the Pricing Page.

- a. Since all vendors must furnish a bid bond based on five percent (5%) of the total amount bid – and since the only two factors affecting the total amount of each Vendor’s bid are the estimated number of hours and the Vendor Hourly Rate – is there a more accurate number of estimated hours for contract services that can be provided to Vendors on which to base their bid and for the purchase of a bid bond?
- b. Section 2.5 states the estimated hours for account services provided on the Pricing Page are based on the actual hours billed during fiscal year 2012. Providing the actual billed hours during fiscal year 2012 in all categories and for

all services would allow Vendors to more accurately gauge the number of Vendor employees needed as well as the skills needed to successfully service the West Virginia Lottery account. Will the West Virginia Lottery provide the actual number of hours billed during fiscal year 2012 in all categories and for all services listed on the Pricing Page in addition to those listed for account services?

ANSWER 23: a. Following the mandatory pre-bid conference, ADDENDUM 1 was issued to revise the ESTIMATED HOURS, excluding purchases.

b. No. Section 2.5 has been revised.

Clarification of Section 2.5 Estimated Hours for Account Services- means the amount of time required for contract services during the fiscal year (July 1 through June 30). The estimated hours for account services provided on the Pricing Page are based on ~~hours billed during fiscal year 2012.~~

QUESTION 24. Section 8, Required Documents states "the apparent successful Vendor shall provide a performance bond in the amount of [equal to anticipated annual payments]. What is the dollar amount equal to anticipated annual payments under this Contract?"

ANSWER 24: The performance bond shall be based on the TOTAL FISCAL YEAR COST FOR VENDOR SERVICES submitted by Vendor on the Pricing Page.

QUESTION 25. Should the West Virginia Lottery, with the approval of the successful Vendor and the Purchasing Division and Attorney General's office, agree to renew the Initial Contract Term for one or both of the successive one (1) year periods allowed by the Contract, will the Vendor be required to provide additional performance bond(s) for the renewal term(s), or will the performance bond for the Initial Contract Term remain in effect for any successive renewal periods?

ANSWER 25: The performance bond should be renewed upon each contract renewal.

QUESTION 26. Section 44 Purchasing Card Acceptance: To what extent, or in what dollar amount or as a percentage of the total amount of annual payments to the Vendor, did the West Virginia Lottery use the State of West Virginia's Purchasing Card for payment of orders under this Contract during fiscal year 2012? How often is the State of West Virginia's Purchasing Card used for payment under this Contract and under what circumstances? If the State of West Virginia's Purchasing Card has not previously been used to make payment under this Contract,

what assurances will the Lottery provide to the Vendor that the Purchasing Card will not be used during the Initial Contract Term and any Renewal Term or Time Extension?

ANSWER 26: In accordance with the Terms & Conditions, Item 44, page 15 of the Solicitation, the Vendor must accept the State of West Virginia's Purchasing card for payment of all orders under this contract.

QUESTION 27. Section 48 Additional Agency and Local Government Use: If the Vendor agrees to extend this Contract to Other Government Entities in the Vendor's bid, does the Vendor have the right to require the Other Government Entity to provide a scope of work in advance to the Vendor for Vendor's review, approval and acceptance before the Vendor extends the same prices, terms, and conditions to the Other Government Entity as those offered and agreed to in this Contract? Or must the Vendor accept the work from the Other Government Entity under all circumstances?

ANSWER 27: The scope of work must be in accordance with the contract to be awarded and quoted by the Vendor.

QUESTION 28. Section 4.22 states that "upon receiving the Lottery's *approval* of the invoice statements(s), the Vendor shall issue respective payment(s), within the specified invoice payment due date or fourteen (14) business days for the services and/or materials" provided by an outside agency or third party vendor to the Vendor on the Lottery's behalf. In Section 4.22, does the word "approval" mean when the Vendor's invoice has been approved for payment by the Lottery, or does it mean when the Lottery actually renders payment of the invoice statement(s) to the Vendor? In other words, does the West Virginia Lottery under this Contract expect the successful bidding Vendor to pay outside agency or third party vendor invoices prior to the Vendor's receipt of payment of the invoice by the West Virginia Lottery?

ANSWER 28: "Approval" means the Vendor's invoice has been authorized for payment by the Lottery. Upon receipt of the Lottery's approval, Vendor shall pay third party invoices within the respective payment due date or fourteen (14) business days, whichever period is shorter. Vendor shall be paid per Vendor's billing cycle.

QUESTION 29. Section 7.1 states that upon the Lottery's approval of Vendor invoices, the Vendor shall make payment on the Lottery's behalf (to the Vendor's suppliers) within the specified invoice payment due date or fourteen (14) days, whichever time period is shorter. As used above, does the phrase "upon the Lottery's approval" mean "upon payment by the Lottery of the Vendor's invoices"? Does the West Virginia Lottery agree under the terms of this contract that the Vendor may pay its suppliers of materials and services within 14 days after the Vendor's invoices have been paid to the Vendor by the Lottery?

ANSWER 29: No. "Approval" means the Vendor's invoice has been authorized for payment by the Lottery. Upon receipt of the Lottery's approval, Vendor shall pay third party invoices within the respective payment due date or fourteen (14) business days, whichever period is shorter. Vendor shall be paid per Vendor's billing cycle.

QUESTION 30. Section 4.22 and 4.23. When the West Virginia Lottery requests that the Vendor use an outside agency or third party vendor to provide certain advertising or promotional materials or services, is the Vendor still required to obtain three (3) competitive bids or cost estimates from three (3) different subcontractors?

ANSWER 30: The Vendor must obtain 3 cost estimates, unless the product or service is requested by the Lottery or considered sole source.

QUESTION 31. Section 4.12 states that "research projects may be subcontracted to a qualified firm upon the Lottery's request; however, the subcontractor shall not be considered a partner entity." What is meant by the term "partner entity"?

ANSWER 31: A partner entity means any subsidiary organization affiliated with Vendor.

QUESTION 32. Section 4.14. Specifically what type/name of additional software licenses and software upgrades will the Vendor be required to provide to two (2) Lottery marketing staff members during this contract?

ANSWER 32: The Vendor must have and provide Lottery with licensed software to edit and view graphic and other necessary files between the Vendor and the Lottery. In addition, Vendor must have software that is compatible with media and print outlets. At minimum the Vendor shall provide the most current version of Adobe Creative Suite and Page MODO for both Macintosh and PC. Any future software upgrades may be requested by the two (2) Lottery marketing staff members throughout the duration of this Contract.

QUESTION 33. If the Addendum with the Lottery's answers to Vendors' questions submitted by June 3, 2013, is not issued at least one week prior to the cost bid opening, will the West Virginia Lottery consider extending the deadline for the cost bid opening to allow more time for the Vendors to submit qualifications and their bids based on the additional information provided in the Addendum?

ANSWER 33: Bid opening remains June 18, 2013 at 1:30 pm.

QUESTION 34. Section 2.21 Website Development

A. What are the current public facing websites operated on behalf of the WV Lottery – either directly or by 3rd party outsourced contractors? Please list their public domain names.

ANSWER 34.A: www.wvlottery.com

B. Of these sites, which ones require regular, ongoing interaction (support/updates) ONLY from the Lottery's internal employees? What is the nature of those updates?

ANSWER 34.B: www.wvlottery.com . The nature of the support and updates are constant and evolving. The Lottery operates and manages the web site via a Content Manager and FTP data packages (Access) to the RackSpace server. The Lottery currently handles data uploads which are updated through the content manager, page/content creation, and page updating and modifying. This includes raw data, advertising/promotional images and banners, document uploading/linking, and updating jackpot amounts.

C. Of these sites, which ones require regular, ongoing interaction (support/updates) from the ADVERTISING AGENCY who is awarded this RFQ? What is the nature of those updates?

ANSWER 34.C: www.wvlottery.com. The nature of the support and updates are constant and evolving. Vendor shall support and update algorithms, certain locked page designs, page designs/creation outside the scope of content management, design of static web banner advertising space, winning numbers for games via RSS feed and integration, KENO, data communication and transfer with online gaming Vendor and the Lottery.

D. Does the WV Lottery expect to build, create, launch additional new websites and/or solicit new outsourced vendors/platforms and services to power the functionality on any new websites in the next year? If so, what might be the nature or function of the new website(s)?

ANSWER 34.D: Not at this time.

E. Outside of these major platforms, what is an example or nature of the work for other web-related design or web content development?

ANSWER 34.E: www.wvlottery.com. The nature of the support and updates are constant and evolving. Vendor shall support and update algorithms, certain locked page designs, page designs/creation outside the scope of content management, design of static web banner advertising space, winning numbers for games via RSS feed and integration, KENO, data communication and transfer with online gaming Vendor and the Lottery.

F. Does the Lottery maintain and manage email newsletter broadcast services? If so, approximately how many people does the Lottery communicate with via email and how often?

ANSWER 34.F: Yes. Using the Lottery's Player Circle, which has a membership base of 26,527. Communication is on a weekly to a monthly basis.

G. Because the hours proposed on the pricing page (110 hours) per annum is such an extremely low number, does the WV Lottery envision that most of its online services are currently running on autopilot and require only minimal levels of support and maintenance?

ANSWER 34.G: The Lottery currently does not provide online services other than information distribution communication and advertising. Certain services are automated updates, the rest are managed by online content management by Lottery employees.

H. What does the word "Dominion" mean in the pricing page line item "Web Hosting and Dominion"?

ANSWER 34.H: The word "Dominion" was revised to "Domain" on the Pricing Page. See ADDENDUM 1.

I. It's unusual to see web hosting quoted and sold by the hour. It would seem that this estimate of hours was really developed by taking a cost associated with outsourced web server hosting services, and then divided by an hourly rate. Is this the case?

ANSWER 34.I: See ADDENDUM 1.

J. Is it correct that this proposed pricing line item is just a pass-thru hosting cost associated with one of your contracted web hosting providers and paid through your prior agency relationship?

ANSWER 34.J: Yes.

a. If that is the case, is this more of a pass-thru expense versus a service provided by skilled staff hours?

ANSWER 34.J.a: Yes. The Vendor's skilled staff should manage the relationship with the Lottery's web hosting provider as well as provide oversight to the payment process to the third-party Vendor.

b. Could this expense be clarified or disclosed since it is likely to be continued and required in the new agreement?

ANSWER 34.J.b: No.

QUESTION 35. Section 4.13 Vendor Updating Web Content and Design

A. Could you provide a short description of the current online platform and service?

ANSWER 35.A: Domain via Multi-State Lottery Association (MUSL), content manager (.net), web hosting by RackSpace. It shall be the successful Vendor's responsibility to manage these third-party Vendors and others as necessary.

B. Who's the current vendor that provides the actual online platform?

ANSWER 35.B: RackSpace.

C. Does the Lottery envision continuing to use this during this coming year?

ANSWER 35.C: Yes.

D. Is there a past public RFP/RFQ for the Lottery's online system?

ANSWER 35.D: No.

E. Does the Lottery make content updates themselves by key WV Lottery personnel? Or do you have the advertising contract agent make the updates?

ANSWER 35.E: The Lottery's marketing staff makes content updates, upon the Lottery's request, the Vendor shall provide content updates.

QUESTION 35.F. With regard to the 24/7/365 service requirements, it would be unlikely any agency could provide uptime assurances on a third-party platform. If the Lottery is using an external service or platform what are those subcontracted vendors' requirements to keep the site up and running?

ANSWER 35.F: The current and future web host must be able to provide assurance of services.

QUESTION 36. Section 4.15 Required Partnerships

What are the current 3rd party vendors that are likely to be required to maintain partnerships with in order to continue the present services to the Lottery?

ANSWER 36: Disclosure of all third party Vendors will be provided to successful Vendor upon Contract Award.

QUESTION 37. Section 3.9 Outsourced Partnerships

Has the Lottery consistently used specific outsourced contractors for web development, web maintenance, database management, firewall, and other software security services in the past?

- a. If so, are those agreements likely to stay in place?
- b. If so, will this contract holder be responsible for managing or directing those services or simply working with those providers?

ANSWER 37: a. Yes.

b. There is a combination of Vendor and Lottery responsibility, which shall be determined based upon expertise, resources, and magnitude of the issue.

QUESTION 38. Who are the current subcontractors that the Lottery foresees maintaining a significant ongoing relationship with?

ANSWER 38: Disclosure of all third party Vendors will be provided to successful Vendor upon Contract Award.

QUESTION 39. Are agencies required to submit responses to each of the sections in the RFQ, beyond 3.1 through 3.10 and hourly rate breakdown? If so, please specify.

ANSWER 39: Vendor shall submit a Pricing Page and should submit documentation as requested in the RFQ.

QUESTION 40. Does the performance bond include all monies that pass through the contract, or simply the total calculated agency fee based on estimated hours?

ANSWER 40: In accordance with the Terms & Conditions, Item 8, Page 9, the Performance Bond shall be equal to anticipated annual payments. This will be 100% of the Grand Total of the bid provided as stated on the Pricing Page.

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: LOT499

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|-----------------------------------------|------------------------------------------|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Company

Authorized Signature

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.
 Revised 6/8/2012