

NOTICE OF INTENT TO AWARD SOLE SOURCE CONTRACT

Date: April 26, 2019

Pursuant to NMSA 1978, § 13-1-126.1, the New Mexico Lottery Authority hereby announces its intent to award a sole source contract for tangible personal property and services upon the expiration of 30 days from the date of this Notice as follows:

Parties to the contract:

New Mexico Lottery Authority (“NMLA”) and DCP Rights, LLC (“Producer”).

Nature and quantity of the tangible personal property and services being contracted for:

The contract will provide for NMLA’s procurement of tangible personal property and services from Producer in relation to the *Dick Clark’s Rockin’ New Year’s Eve* television special scheduled for live television broadcast on the ABC television network on December 31, 2019 – January 1, 2020 (the “Program”). The tangible personal property and services to be provided under the contract consist of a once-in-a-lifetime *Rockin’ New Year’s Eve VIP Experience* to be offered as a second chance prize by NMLA to New Mexico Powerball players and a promotional campaign of social amplification and brand marketing for NMLA’s Powerball lottery game, as follows:

(1) **Second Chance Prizes:** Producer will provide NMLA with ten (10) second chance prize packages, each of which shall consist of a four-day, three-night trip for two (2) people to New York City, NY (“NYC”) from December 29, 2019, to January 1, 2020 (“Second Chance Prize(s)”) for NMLA’s use in connection with its Second Chance Prize Promotion. Each Second Chance Prize will include:

- Round-trip, coach-class airline transportation for two (2) people from major airport nearest winner’s city to NYC (if within 200 miles of NYC, ground transportation to be substituted);
- Three (3) nights’ hotel accommodations at the Crowne Plaza Times Square Manhattan hotel (or such other similar comparable hotel as Producer may determine in its sole discretion) in NYC (double occupancy, room and tax only);
- Two (2) tickets to the “Christmas Spectacular Starring the Radio City Rockettes” at Radio City Music Hall on December 30, 2019;
- Two (2) tickets for a holiday dinner cruise on the Hudson River on December 30, 2019;
- Two (2) tickets for an exclusive New Year’s Eve dinner and party (including view of the ball drop) on the Program Date;
- Two (2) gift bags, each with a retail value of at least One Hundred Dollars (\$100);
- All meals (breakfast, lunch, dinner) while in NYC;
- Spending money in the amount of Two Hundred Fifty Dollars (\$250) (in the form of a pre-loaded card); and

- Ground transportation to and from airports, hotel, and activities while in NYC.

(2) Promotional Campaign: Producer will provide NMLA with the following advertising and marketing materials for its use in connection with the Second Chance Prize Promotion:

- One (1) thirty-second (:30) promotional video with donut localization;
- One (1) thirty-second (:30) radio commercial with donut localization;
- Point-of-sale advertising/marketing materials customized with NMLA's logo (excludes printing);
- Program and Second Chance Prize Promotion-related graphics for use on NMLA's website(s) and in marketing, advertising, point-of-sale, and other materials created by NMLA for the Second Chance Prize Promotion, subject to Producer's approval rights;
- Template press release for each milestone in the Second Chance Prize Promotion and First Powerball Millionaire Story (print and electronic);
- Customized social media tool-kit consisting of pre-produced messages, graphics, digital content, and a recommended schedule for publication (excludes media placement); and
- Social media messaging from the official social media accounts for the Program.

(3) First Powerball Millionaire Story: Second Chance Prize winners will also be eligible to participate in a drawing for a prize in the amount of One Million Dollars (\$1,000,000.00), to be conducted by the Multi-State Lottery Association ("MUSL") during the live broadcast of the Program:

- MUSL (or its authorized designee) will be responsible for administering, conducting, and managing the drawing for the \$1M Prize and for awarding the \$1M Prize to the selected winner ("First Millionaire");
- The participant pool for the \$1M Prize will include all winners of Second Chance Prizes awarded by all state lotteries participating in the Promotion, provided, however, that employees, contractors, officers, and directors of Producer and American Broadcasting Companies, Inc., and each of their respective parent, subsidiary, and/or affiliated entities are not eligible to win the \$1M Prize and become the First Millionaire;
- The specific procedures and terms of the drawing for the \$1M Prize will be determined by MUSL in its sole discretion and may include one (1) or more drawing rounds before the final drawing for the \$1M Prize; and
- Trip winners who travel to NYC may also have the opportunity to participate in the recording and production of segments of the First Powerball Millionaire Story, provided that they sign an appearance release.

Contract amount:

The amount due from NMLA to Producer under the terms of the contract will be \$150,000.00, of which \$75,000.00 shall become due upon the execution of the contract and the remaining \$75,000.00 shall become due on or before July 8, 2019.

Term of the contract:

The term of this agreement shall commence 30 days from the date of this notice and shall continue through January 31, 2020. The Promotion period for the Second Chance Prize Promotion shall continue until a date to be determined by NMLA, but no later than October 1, 2019.

Sole Source Justification:

NMLA has determined that the contract may be awarded to Producer without competitive sealed bids or competitive sealed proposals based on its determination that Producer is the only source for the tangible personal property and services described in this notice. Specifically, Producer is uniquely situated to meet the intended purpose of the contract because it is the only vendor presently contracted by MUSL, which administers the Powerball lottery game, to make the tangible personal property and services available to state lotteries engaged in the sale of Powerball lottery tickets. The tangible personal property and services to be furnished by Producer are also uniquely suited to meet the intended purpose of the contract to increase the sale of Powerball lottery tickets in New Mexico by offering New Mexico Powerball players an opportunity to win a Second Chance Prize and be selected for participation in MUSL's First Millionaire prize drawing during the live broadcast of the Program.

End of notice.