



Request for Proposal  
**Idaho Lottery Segmentation Research**

May 17, 2024

## KEY INFORMATION AND DATES

<b>REQUEST FOR PROPOSAL DATE:</b>	May 17, 2024
<b>WRITTEN PROPOSALS DUE:</b>	June 14, 2024 - 4:00 PM MST
<b>PROJECT TITLE:</b>	Idaho Lottery Segmentation Research
<b>PROJECT DESCRIPTION:</b>	The Idaho Lottery is looking for a qualified research partner to provide Segmentation Research and Insights. The chosen partner will conduct research to provide insights about current Idaho Lottery player segments and non-player segments. Proposal submissions should clearly provide research methodologies, implementation plan, and key outcome deliverables.
<b>QUESTIONS REGARDING THIS RFP:</b>	Questions should be addressed to: Sherie Moody-St.Clair sms@lottery.idaho.gov by 4:00 pm MST on 6/1.
<b>SUBMIT 5 HARD COPIES + 1 ELECTRONIC VERSION TO:</b>	Idaho Lottery Attn: Sherie Moody-St.Clair 1199 Shoreline Lane, Ste 100 Boise, ID 83702 sms@lottery.idaho.gov
<b>FINALIST NOTIFICATION DATE:</b>	July 19, 2024
<b>FINAL CONTRACT SIGNED BY:</b>	July 26, 2024
<b>PROJECT COMPLETE BY:</b>	October 31, 2024*

\*Project complete may be adjusted by the Idaho Lottery as needed.

# LOTTERY BACKGROUND

## HISTORY

In 1986, by initiative, the people of Idaho voted on the lottery issue for the first time. The initiative, which resulted in a 60% favorable vote, was later declared unconstitutional by the Idaho Supreme Court. In 1988 the Idaho Legislature authorized another vote and later that year the Idaho Lottery Act became law when 51% of the voters approved a constitutional amendment repealing the state's constitutional ban on lotteries.

The first ticket was sold on July 19, 1989. Since inception, the Idaho Lottery has provided \$1.189 billion to Idaho public schools and buildings. FY '23 was a record sales year with over \$420 million in revenue.

## GENERAL INFORMATION

The Idaho Lottery is a self-funding state agency. The Lottery Director is appointed by and serves at the pleasure of the Idaho Governor. The Lottery Commission consists of five members who are appointed by the Governor to serve staggered five-year terms.

The mission of the Idaho Lottery is to maximize net income and the resulting annual dividend payment for Idaho public schools and buildings. The primary operation of the Lottery is governed by Idaho Code, Title 67, Chapter 74. The Commission is also responsible for the oversight for charitable bingo and raffle games (Idaho Code, Title 67, Chapter 77).

As a state agency, the Idaho Lottery is subject to most of the same administrative controls as other state agencies, including budgetary controls. The agency is authorized to expend funds in four areas: administration, advertising/promotion, prize expense and retailer commissions. There are spending limitations in some areas. For instance, the Lottery can spend no more than 3.5% of its revenue on advertising/promotion, retailer commissions cannot exceed 6%, no more than 15% can be spent on administration and the Lottery is obligated to pay at least 45% of its revenue out to the players in the form of prizes

## GAME INFORMATION

Idaho Lottery offers a variety of game categories. The games have many different variables including category type, odds, play style, theme, price point, and prize structure.

- **INSTANT TICKETS:**

- **SCRATCH GAMES**

The Idaho Lottery launches, on average, around 60 Scratch games a year. Current Scratch offerings are priced at \$1, \$2, \$3, \$5, \$10, \$20, \$30, and \$50 with top prizes ranging from \$1,000 to \$1,000,000. Additionally, Scratch games vary in theme, play style, and format. Price points, prize structures, themes, play styles, and play formats are considerations for game development and portfolio management.

Detailed information for current Scratch games can be found on the Idaho Lottery website at <https://www.idaholottery.com/games/scratch>.

Scratch ticket sales made up 57% of total sales in FY '23.

- **INSTAPLAY**

The Idaho Lottery currently has 12 games on the market. InstaPlay games are printed at retail terminals and outcomes are revealed instantly. Current InstaPlay price point offerings are \$1, \$2, \$5, \$7, \$10, \$20 and \$30 with top prizes ranging from \$2,000 to \$400,000 on rolling jackpot games. Price points, prize structure, themes, play style, and play format are considerations to game development, portfolio management, and play.

Detailed information for current InstaPlay games can be found on the Idaho Lottery website at <https://www.idaholottery.com/games/instaplay>.

InstaPlay ticket sales made up about 3% of total sales in FY '23.

- **DRAW GAMES**

The Idaho Lottery currently has nine Draw games on the market. Idaho Lottery is a member of the Multi-State Lottery Association (MUSL).

Detailed information for each draw game including how to play can be found on the Idaho Lottery website at <https://www.idaholottery.com/games/draw>.

Draw Games Include:

- Multi-State Games
  - Powerball, Mega Millions, Lucky For Life, Lotto America
- Idaho-Only Games
  - Pick 3, Pick 4, Weekly Grand, 5 Star Draw, Idaho Cash

Idaho Lottery also launches one Raffle game each year, the Idaho \$1,000,000 Raffle, which has 450,000 tickets with a two top prizes of \$1,000,000.

Draw ticket sales made up about 21% of total sales in FY '23.

- **TABS**

The Idaho Lottery has two types of Tab games that are played in age-controlled environments. The two types of games are Pull Tab and Touch Tab games. Tab games range in price points of \$.25 - \$2.50 with a top prize of \$600. Price points, prize structure, and themes are considerations to game development, portfolio management, and play.

Detailed information for current Tab games can be found on the Idaho Lottery website at <https://www.idaholottery.com/games/tabs>.

Tab ticket sales made up about 19% of total sales in FY '23.

## **COMMUNICATION CHANNELS**

Idaho Lottery has a variety of key communication channels that are used to provide information, communicate winning numbers, and provide an extension of play for Idaho Lottery players.

- **Idaholottery.com** – High volume, frequent traffic for people seeking winning numbers, information on games, and access to the VIP Club.
- **Idaho Lottery App** – Used by players to check their ticket for winning numbers, access the VIP club, and get information about games.
- **VIP Club** – Includes 275,000 players at different levels of activity. This VIP Club database is points based and has options for email and text communication, 2<sup>nd</sup> chance promotions, sweepstakes, and purchasable opportunities.
- **Social Media** – Active Facebook and Instagram channels with fun content, contests, and customer service elements. Idaho Lottery's Facebook page has over 60,000 followers and the Instagram page has over 8,000 followers.

## **DO GOOD PROGRAMS**

Idaho Lottery provides additional support to schools on top of the dividend that it provides to Idaho Public Schools and Buildings each year. These programs are part of the Idaho Lottery's Do Good initiative and are implemented throughout the year. The Do Good programs include:

- **Classroom Wishlist:** Classroom Wishlist is a monthly Idaho Lottery Do Good program that allows teachers to submit their classroom wishes to be fulfilled. With

the help of our players, the Idaho Lottery funds up to \$10,000 in classroom needs every month!

- **Bucks for Books:** Each fall the Idaho Lottery collaboratively partners with the Idaho Commission for Libraries on a campaign to improve early education literacy. In its first three years, through Bucks for Books, the Idaho Lottery has awarded 89 elementary schools a total of \$225,000 for new book acquisitions.
- **Scratch For Schools:** Jim Bruce Scratch for Schools is a fundraising event that is fun and could reap big benefits for your school! The Jim Bruce Scratch for Schools event is a chance to raise additional funds for your school's needs – books, desks, audio/video equipment, playground materials and field trips. This is a great and easy opportunity to win money for your school.
- **Love Your School:** Players donate 50 points to get an entry into the Love Your School drawing which happens once a month. The winner will get to choose an Idaho public school to receive a \$1,000 gift. This makes the player the true hero in the story.

## PROJECT OVERVIEW

Idaho Lottery is seeking a qualified research partner to provide segmentation insights that help the Idaho Lottery understand the diverse demographics, psychographics, and behaviors of Idaho Lottery players and non-players. These insights will be critical to informing Idaho Lottery's future strategies. The project includes the following:

1. Development and implementation of segmentation research
2. Identification of key segments
3. Key insights by segment
4. Key demographic, psychographic and behavioral profiles of each segment

## PROPOSAL FORMAT

The following format is required for all proposals. Responses should be concise and applicable to this RFP. Proposals should be clearly organized by the structure provided below.

- A. **Cover Page** - This should identify the project title, bidder name, address, phone number, email address and name of contact person.

**B. Background Information** - The bidder should describe:

- Describe your firm's current qualifications and ability to effectively conduct the activities proposed in this RFP. Identify assigned personnel and their respective job descriptions. Resumes of proposed team should be included as attachments.
- Describe your firm's experience with client projects that are relevant to this project including:
  - Segmentation studies
  - Consumer behavior studies
  - State lotteries and/or gaming experience
- Provide references of two (2) current or former clients whose research objectives are similar to those of the Idaho Lottery. Include an overview of each client/project, the organization name, address, phone number and contact persons name and email address. This person should be able to provide a description of the services provided and an evaluation of the results. NOTE: The Idaho Lottery may contact any references provided by your firm.

**C. Team/Resources** - Describe your firm's resources that will be used to fully develop and implement this project. Specify how subcontractors, if any, will be used.

**D. Methodology** – Provide the methodological recommendations and process you will implement to accomplish the identified research objectives. The methodology should thoroughly evaluate both player and non-player demographics, psychographics, behaviors, and play (for those applicable.) For those that don't play, the insights should include reasons why.

**E. Project Timeline**- Submit an estimated timeline for the research plan that includes details for each proposed activity and/or stage in the project. Include detail outlining any necessary time commitments or approval benchmark dates the Idaho Lottery team will need to plan for.

**F. Budget Outline** – Submit an estimated itemized budget for each proposed activity/stage in the project. This should include all labor and any proposed 3<sup>rd</sup> party costs that are necessary to deploy the methodology proposed. The budget

should be all inclusive of all costs for the project.

- G. **Ideas and Suggestions/Offerings** – Additional beneficial insights, ideas, innovations, tools that you can provide the Idaho Lottery as part of their long-term research plan to drive sales and gain insights.

## **LEGAL STUFF**

### **GOVERNING LAW**

The Lottery is statutorily exempt from Idaho State purchasing laws and regulations (section 67-7451, Idaho Code). Despite this exemption, it is the Lottery's policy to conduct its contracting affairs generally in accordance with state competitive bidding principles, reserving the right to use alternative contracting and procurement practices that take into account market realities. The Idaho Lottery Commission approved the issuance of this RFP.

### **INFORMATION FROM OTHER SOURCES**

The Lottery reserves the right to obtain information from outside sources concerning the Respondent(s).

### **CONTACT WITH RESPONDENTS DURING RFP PROCESS**

During this procurement process, no interested Respondent, and no employee or agent of any interested Respondent, may initiate any unsolicited contact with Lottery employees, managers, officers, or commissioners regarding this procurement. All contact regarding this procurement should be directed through the RFP Coordinator. Any false or misleading representations made by any interested Respondent, their employees or agents, to any Lottery employee or Lottery retailer shall be grounds for disqualification. Any Respondent to this RFP currently doing business with the Lottery may continue to do so and communicate with Lottery employees, however, any communication regarding this RFP, other than through the RFP Coordinator, is prohibited.

### **PROPOSAL CLARIFICATION PROCESS**

The Lottery reserves the right to request clarification or resolve ambiguities on one or more statements made by a Respondent in its Proposal at any point during the Proposal Evaluation. All clarification will be requested in writing and will be sent to the contact person representing the Respondent. Any such communication may be made by e-mail, fax, mail, overnight courier, or hand delivered. Respondent will be given a specific deadline to submit a response. The Respondent will make every effort to respond within the time frame indicated. If it proves unfeasible, the Lottery and the Respondent may discuss modification of the deadline. The



clarification process will not allow revision or supplementation of the Respondent's offering.

**Clarification is not a negotiation process.**

## **AMENDMENTS TO RFP**

The Idaho Lottery reserves the right, in its sole discretion, at any time prior to the contract award deadline to change, modify, or cancel all or part of this RFP and procurement. Any addendum(s), amendments(s), or cancellations(s) will be posted on the Idaho Lottery's website at <http://www.idaholottery.com/RFP> and notification by the Idaho Lottery to all responding vendors will be sent via email.

## **PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIALITY**

All Proposals received shall remain confidential until a notice of intent to award a contract is issued. Thereafter, the Proposals shall be deemed public records as defined in Idaho Code, Title 74, Chapter 1.

The Public Records Law contains certain exemptions. One exemption potentially applicable to parts of Proposals may be for trade secrets. Trade secrets include a formula, pattern, compilation, program, computer program, device, method, technique or process that derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons and is subject to the efforts that are reasonable under the circumstances to maintain its secrecy.

If Respondents consider any material provided in its proposal to be a trade secret, or otherwise protected from disclosure, Respondent **MUST** so indicate by marking as "exempt" **EACH PAGE** containing such information. Marking the entire Proposal as exempt is not acceptable or in accordance with the RFP or the Public Records Law and **WILL NOT BE HONORED**. In addition, a legend or statement on one (1) page that all or substantially all of the response is exempt from disclosure is not acceptable or in accordance with the Public Records Law and **WILL NOT BE HONORED**. Prices provided in the Proposal are not a trade secret.

The Lottery, to the extent allowed by law and in accordance with the RFP, will honor a designation of nondisclosure. Any questions regarding the applicability of the Public Records Law should be addressed to your own legal counsel **PRIOR TO SUBMISSION** of the Proposal.

If a Respondent's Proposal contains information that Vendor considers to be exempt, Respondent must also submit an electronic redacted copy of the Proposal with all exempt information removed or blacked out. The Lottery will provide this redacted Proposal to requestors under the Public Records Law.

The Respondent must be able to defend the confidentiality of its information through the judicial process and shall indemnify, defend and hold the Lottery harmless against any action, liability, claims, damages, losses, expenses, attorney fees and suits brought against the Lottery as a result of the Lottery's honoring a Respondent's identification and marking of what Respondent considers exempt information. If any information is marked as trade secret or proprietary in the Proposal, that information will not be available until the affected Respondent has been given an opportunity to seek a court injunction against the requested disclosure. The Respondent's failure to designate as exempt any document or portion of a document that is released by the Lottery shall constitute a complete waiver of any and all claims for damages caused by any such release.

### **PROPERTY OF THE LOTTERY**

Materials submitted in response to this RFP will become the property of the Lottery and will not be returned. The Idaho Lottery shall have the right to use all ideas, adaptations of ideas, and concepts contained in any Proposal received in response to the RFP subject to the intellectual property rights of the Respondent. The Lottery reserves the right to use any and all information contained in a Proposal to the extent permitted by law. Selection or rejection of the proposal will not affect this right.

### **INCURRED COSTS ASSOCIATED WITH PROPOSALS**

The Respondent must not hold the Lottery liable for any of the costs incurred by a Respondent in preparing or submitting a Proposal including, but not limited to, preparation, copying, postage, and delivery fees, and expenses associated with the oral presentations, which may be required by the RFP evaluation committee.

### **ACCEPTANCE PERIOD**

Proposals shall remain valid and subject to acceptance by the Lottery for a period of 180 days from the Proposal due date of June 14, 2024. Failure to adhere to this requirement may result in Proposal disqualification. Respondents will be strictly held to the terms in their Proposals. The contents of the RFP and the Proposal will become contractual obligations in the event of Contract Award.

### **DISCLOSURE PROHIBITION**

Information provided in a Proposal, including Price Proposal, must be held in confidence by the Respondent and not be revealed or discussed with competitors except as required by jurisdictional law. The Proposals must remain confidential while the evaluation committee reviews all of the Proposals submitted in response to the RFP.

The Proposals will be available for inspection according to Lottery policy and jurisdictional law after the Notice of Intent to award a Contract is announced by the Lottery. All matters set forth in a Respondent's Proposal including, without limitation, technical information, required services, question responses, and creative samples may be subject to disclosure after Contract. Once again, the Lottery will base its disclosure decision on existing Idaho law.

### **DISQUALIFICATION FOR BUSINESS INCAPABILITY**

Financial and business stability of the Respondent and wherewithal to perform and support the Lottery are required. Criminal and financial background checks will be conducted prior to awarding a contract. If insufficiencies, as determined by the Lottery at its sole discretion, are found a contract will not be awarded.

If, at any time prior to signing of a written Contract, the Lottery reasonably determines that a Respondent does not possess adequate financial ability or requisite stability to carry out the obligations of the Contract, the Respondent may be disqualified from further consideration.

If, at any time after Contract execution, the Lottery reasonably determines that the successful Respondent does not possess adequate financial ability or business stability to continue to carry out the obligations of the Contract, the Contract may be terminated.

### **REJECTION/SELECTION OF PROPOSALS**

The Lottery may reject any or all Proposals or any portion thereof, advertise for new Proposals, arrange to receive or itself perform and obtain the services requested in the RFP, abandon the need for such requested services, or award in whole or in part a Contract deemed to be in the best interests of the Lottery.

Respondents will be held to the terms submitted in their Proposals but may be required to reduce costs depending upon aspects of the proposed services that may be determined by the Lottery to be unnecessary.

The Lottery will notify in writing those Respondents who submit a Proposal in response to the RFP, but who are not awarded the Contract. The acceptance of a Proposal will not diminish the Lottery's right to negotiate specific contract terms, including price, with the apparent successful Respondent.

### **INDEPENDENT PRICE DETERMINATION**

By submission of a Proposal, the Respondent must certify – and in the case of a joint Proposal, each party thereto must certify as to its own organization – that in connection with the Proposal the prices in the Proposal have been arrived at independently, without consultation,

communication, or contract for the purpose of restricting competition as to any matter relating to such prices with any other Respondent or with any competitor.

### **CHANGE OF OWNERSHIP/FINANCIAL CONDITION**

If a Respondent (including the parent or holding company of the Respondent) experiences a substantial change in its ownership or financial condition after its Proposal has been submitted and prior to the execution of the Contract with the Successful Respondent, the Respondent must notify the Issuing Office in writing at the time the change occurs or is identified.

A “substantial change” in ownership or financial condition is defined as an event which following generally accepted accounting principles, would require a notation in the Annual Report of a publicly traded United States or Canadian corporation, or equivalent standard.

Failure to notify the Issuing Office of such a substantial change may result in the disqualification of the Respondent.

### **NEWS RELEASES**

News releases pertaining to the RFP or the services, study, data, or project to which it relates must not be made without prior written Lottery approval, and then only in accordance with explicit written instructions from the Lottery. The results of the RFP process must not be released without prior approval of the Lottery, and only then to designated persons and/or media organizations.

### **DISCLOSURE OF ABORTION RELATED MATTERS**

The Idaho Lottery is subject to the No Public Funds for Abortion Act, Idaho Code title 18, chapter 87 (the “Act”) and State employees who intentionally violate the provisions of the Act are subject to criminal prosecution. This provision will be included in a resulting Contract to aid in compliance with the Act. The Idaho Lottery requests that any Respondent to this RFP that is initially awarded the Contract be able to disclose, unless Contractor is within one of the exemptions provided in the Act, if it or an affiliate is or becomes, during the term of any resulting Contract, an abortion provider and if it will use State facilities or public funds to provide, perform, participate in, promote or induce, assist, counsel in favor, refer or train a person for an abortion related activity. Please refer to the Act for definitions of the terms used in this section.

### **CERTIFICATION CONCERNING BOYCOTTING OF ISRAEL**

Pursuant to Idaho Code section 67-2346, if payments under a resulting Contract exceed one hundred thousand dollars (\$100,000) and any Respondent who is initially awarded a Contract employs ten or more persons, any Respondent who is initially awarded a Contract must be able

to certify that it is not currently engaged in, and will not for the duration of a resulting Contract engage in, a boycott of goods or services from Israel or territories under Israel's control. The terms in this section defined in Idaho Code section 67-2346 shall have the meaning defined therein.

**OWNERSHIP OR OPERATION BY CHINA**

Pursuant to Idaho Code section 67-2359, any Respondent awarded a Contract must be able to certify that it is not currently owned or operated by the government of China and will not for the duration of the Contract be owned or operated by the government of China. The terms in this section which are defined in Idaho Code section 67-2359 shall have the meaning defined therein.