AGREEMENT FOR CONTRACTUAL SERVICES FOR ADVERTISING, MARKETING, AND PUBLIC RELATIONS SERVICES

THIS AGREEMENT, effective as of February 16, 2017, by and between the Department of Finance and Administration Office of the Arkansas Lottery ("OAL" or "Lottery"), 124 W. Capitol Avenue, Suite 1400, Little Rock, AR 72201 and Cranford, Johnson, Robinson, Woods ("CJRW"), 300 Main Street, Little Rock, AR 72201, witnesses that the parties have made the agreements set forth below:

WHEREAS, the State of Arkansas has, pursuant to Arkansas law, established the Lottery and authorized the Director of the Lottery ("Director") to enter into contracts for advertising, marketing and public relations services; and

WHEREAS, the Lottery issued a Request for Qualifications ("RFQ") for Advertising, Marketing, and Public Relations Services, and upon evaluation of the responses submitted to the RFQ, the Lottery determined that CJRW's response dated October 13, 2016, ("Response") met or exceeded each of the requirements of the RFQ and was the Successful Vendor pursuant to the Lottery's competitive bid process; and

WHEREAS, based on in-depth evaluations of CJRW, the Lottery desires to enter into a contractual services agreement with CJRW for Advertising, Marketing, and Public Relations Services; and

WHEREAS, CJRW desires to enter into such an agreement;

NOW, THEREFORE, in consideration of the above premises, and the mutual promises set forth below, and subject to compliance with Arkansas Law, the Lottery and CJRW, with this agreement (the "Agreement"), hereby make the following agreements:

1. Contract Elements and Incorporations by Reference and Order of Priority

The contract elements ("Contract Elements"), which are incorporated herein by reference, and the order of priority shall be as follows:

- a. The RFQ and Addendum 1 (Exhibit A)
- b. CJRW RFQ Response (Exhibit B)
- c. CJRW Cost Schedule (Exhibit C)
- d. Any future addenda, modifications or amendments to the contract which may be agreed to in writing between the parties (Exhibit D); and
- e. OAL Rules for Claims in Contract or Tort (Exhibit E).

- 2. <u>Term of Contract</u>: Five (5) years from date of award. Upon mutual agreement by CJRW and OAL, the contract may be renewed by OAL on a year-to-year basis, for up to two (2) additional one-year terms or a portion thereof.
- 3. <u>Terms of Compensation:</u> The terms of compensation are set forth in the CJRW Cost Schedule (Exhibit C).

4. Additional Covenants

- a. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a state contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the contractor for the purpose of securing business. CJRW hereby covenants and agrees that no person shall:
- (i) be excluded from participation in, or be denied benefits of, this Agreement, or (ii) be excluded from employment, denied any of the benefits of employment or otherwise be subjected to discrimination on the grounds of handicap or disability, age, race, color, religion, sex, national origin or ancestry, or any other classification protected by federal, Arkansas state constitutional, or statutory law. CJRW agrees to, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- b. CJRW further agrees to maintain documentation for all charges against OAL under this Agreement or any modifications or amendments thereto. The books, documents, papers, accounting records, and other evidence pertaining to products and/or services to be provided or performed or money received under this Agreement shall be:

- (i) maintained for a period of five (5) full years from the date of the final payment; and
- (ii) subject to audit or inspection at any reasonable time and upon reasonable notice by OAL or its duly appointed representatives. CJRW agrees to make such materials available at its offices, and copies thereof shall be furnished to OAL or its duly appointed representative by CJRW, at no cost to OAL or its duly appointed representative, if requested by OAL or its duly appointed representative. Such records shall be maintained in accordance with any applicable provisions of generally accepted accounting principles (or other applicable accounting principles or policies) and any other applicable procedures established by OAL from time to time.
- c. CJRW and OAL shall be bound to confidentiality of any information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.
- d. CJRW represents and warrants that its performance under the Contract will not knowingly infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.
- The parties further agree that any and all disputes which may arise from this Contract shall be governed and resolved under OAL Rules for Claims in Contracts or Torts.

IN WITNESS WHEREOF, the parties have executed this Contractual Services Agreement on this 16 day of February, 2017.

W. Bishop Woosley

Director

DFA-Office of the Arkansas Lottery

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President

CJRW

CJRW COST SCHEDULE

Service	Price
Media Placement (TV, Radio, Print, Billboard, Digital, Social)	13% of media cost
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Advertising, Marketing & PR Services	Hourly Charge
Creative Director	\$0
Art Director	\$0
Copy Writer	\$0
Graphic Designer	\$0
Senior Account Supervisor	\$0
Strategic Planning	\$0
Account Manager/Coordinator	50
Staff Accountant	\$0
Promotional Specialist	\$0
Promotional Staff	\$0
Public Relations Director/Planning	\$135
Public Relations Coordinator	\$135
Production Director	\$0
Media Planning/Traffic/Production Supervision	\$0
Social Media Planning/Management	\$95
Digital Media Planning/Management	\$0
Media Tracking	\$0
Workshop Meeting Attendance	\$0
Research Material Collection	\$0
External Printing	Outside vendor cost
external TV, Radio, Billboard, Digital, Print, Social, and POS Production	Outside vendor cost
Vebsite Creative Development	Outside vendor cost
Vebsite Hosting, Content Management and Maintenance	Outside vendor cost

The signatures below signify the party's agreement as to the negotiated prices contained in this Cost Schedule.

Bishop Woosley
Office of the Arkansas Lottery