

Exhibit C3



STATE OF ARKANSAS
**Department of Finance
Administration**

OFFICE OF THE ARKANSAS LOTTERY

Post Office Box 3238

Little Rock, Arkansas 72203-3238

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May 16, 2022

The Honorable Ronald Caldwell Co-Chair
The Honorable Gary Deffenbaugh Co-Chair
ALC – Lottery Oversight Subcommittee
One Capital Mall, 5th Floor
Little Rock, AR 72201

RE: CJRW Term Contract No. 4600039651

Dear Senator Caldwell and Representative Deffenbaugh,

The Department of Finance and Administration Office of the Arkansas Lottery (OAL) respectfully requests the Arkansas Legislative Council Lottery Oversight Subcommittee (ALC-LOS) to include in its agenda a review of the above contract during the May 18th Lottery Oversight Subcommittee meeting. The following provides the basis and background for the CJRW contract:

1. CJRW Term Contract No 4600039651 was last reviewed by this subcommittee on January 26, 2022. The original contract is included on this document. The contract terms have not been modified nor amended since the review.
2. The above listed contract allows for up to two (2) additional one-year terms or a portion thereof. The OAL would like to exercise the last extension available on the contract. The extension would be effective from July 1, 2022 – June 30, 2023.
3. The terms of the amendment will not be modified from the original contract.
4. This amendment (July 1, 2022 – June 30, 2023) will have a dollar amount of \$7,600,000.

Please call me if you have any questions or need additional information.

Very Truly,

J. Eric Hagler
Director, Office of the Arkansas Lottery

Enclosures as stated

cc: The Honorable Asa Hutchinson, Governor of Arkansas
Mr. Larry Walther, Secretary of the Arkansas Department of Finance and Administration



STATE OF ARKANSAS
Professional Service Contract

Vendor No. 100028713
Contact
Your reference SP-17-0033

CRANFORD JOHNSON ROBINSON WOODS
CJRW
300 MAIN ST
LITTLE ROCK AR 72201

Contract No. 4600039651
Date 02/03/2017

Contact Angela Allman
Telephone 501-371-6156
Fax 501-324-9311

Our ref. ST
Incoterms FOB
DESTINATION

Send Invoice To:
THE OFFICE OF THE ARKANSAS LOTTERY
ATTN: DIRECTOR OF ADVERTISING AND
MARKETING
P.O. BOX 3238, LITTLE ROCK, AR 72203

Ship To:
Valid from: 02/16/2017
Valid to: 02/15/2022

Target value 34,500,000.00 USD
AWARD NUMBER: SP-17-0033
COMMODITY: ADVERTISING, MARKETING, AND PUBLIC RELATIONS SERVICES
CONTRACT PERIOD: 2/16/17 - 2/15/2022
AASIS #: 4600039651

THIS IS A TERM CONTRACT ISSUED BY THE OFFICE OF STATE PROCUREMENT. THIS IS NOT AUTHORITY TO SHIP. A SEPARATE PURCHASE ORDER WILL BE ISSUED. THIS CONTRACT CONSTITUTES ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND CONDITIONS SET FORTH WITHIN THE REQUEST FOR QUALIFICATIONS.

THE QUANTITY LISTED IS ESTIMATED AND NOT A GUARANTEE TO PURCHASE

PRICES ARE F.O.B. DESTINATION, INSIDE DELIVERY, UNLESS OTHERWISE SPECIFIED.

This contract will be for a period of five (5) years and has the option to be renewed up to two (2) additional one (1) year increments or a portion thereof, if mutually agreed upon, in writing by the Office of State Procurement and the vendor.

VENDOR NAME: Cranford Johnson Robinson Woods (CJRW)
ADDRESS: 300 Main Street, Little Rock, AR 72201
PHONE: 501-975-4241
E-MAIL: INFO@CJRW.COM

Item	Material/Description	Target Qty	UM	Unit Price	Amount

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:
All purchasing rules and regulations defined by the State of Arkansas apply to this document.

Purchasing Official/Fiscal Officer

02/06/2017



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Date 02/03/2017
Our reference ST

Item	Material/Description	Target QtyUM	Unit Price	Amount
0001	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2017 PR #1000759280 Please deliver to: DEPARTMENT OF FINANCE AND ADMINISTRATION OFFICE OF THE ARKANSAS LOTTERY 124 W CAPITOL STE 1400 LITTLE ROCK AR 72201	1,550,000 each	1.00	\$ 1,550,000.00
0002	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2018 PR # 1000759280 Please deliver to: DEPARTMENT OF FINANCE AND ADMINISTRATION OFFICE OF THE ARKANSAS LOTTERY 124 W CAPITOL STE 1400 LITTLE ROCK AR 72201	6,131,248 each	1.00	\$ 6,131,248.00
0003	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2019 PR# 1000759280 Please deliver to: DEPARTMENT OF FINANCE AND ADMINISTRATION OFFICE OF THE ARKANSAS LOTTERY 124 W CAPITOL STE 1400 LITTLE ROCK AR 72201	6,587,502 each	1.00	\$ 6,587,502.00
0004	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2020 PR # 1000759280 Please deliver to: DEPARTMENT OF FINANCE AND ADMINISTRATION OFFICE OF THE ARKANSAS LOTTERY 124 W CAPITOL STE 1400 LITTLE ROCK AR 72201	7,124,998 each	1.00	\$ 7,124,998.00
0005	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2021 PR #1000759280	7,500,000 each	1.00	\$ 7,500,000.00

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Item	Material/Description	Target QtyUM	Unit Price	Amount
<p>Please deliver to: DEPARTMENT OF FINANCE AND ADMINISTRATION OFFICE OF THE ARKANSAS LOTTERY 124 W CAPITOL STE 1400 LITTLE ROCK AR 72201</p>				
0007	10132695 PRO SERVICE,ADVERTISING/MARKETING FY 2022 PR#1000759280	5,606,252 each	1.00	\$ 5,606,252.00
Estimated Net Value				34,500,000.00
OUTLINE AGREEMENT AWARD TERMS AND CONDITIONS				
<p>1. GENERAL: All terms and conditions stated in the Request for Qualifications govern this contract.</p> <p>2. PRICES: Prices are firm and not subject to escalation, unless otherwise specified in the Request for Qualifications.</p> <p>3. DISCOUNTS: All cash discounts offered will be taken if earned.</p> <p>4. TAXES: Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.</p> <p>5. BRAND NAME REFERENCES: The contractor guarantees that the commodity delivered is the same as specified in the Request for Qualifications.</p> <p>6. GUARANTY: All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the Request for Qualifications. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the Request for Qualifications.</p> <p>7. AWARD: This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.</p> <p>8. DELIVERY: The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving</p>				

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agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.

9. BACK ORDERS OR DELAY IN DELIVERY: Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.

10. DELIVERY REQUIREMENTS: No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

11. STORAGE: The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

12. DEFAULT: All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

13. VARIATION IN QUANTITY: The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.

14. INVOICING: The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the Request for Qualifications. Invoices must be sent to "Invoice to" point shown on the purchase order.

15. STATE PROPERTY: Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.

16. ASSIGNMENT: This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.

17. OTHER REMEDIES: In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

18. LACK OF FUNDS: The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

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19. QUANTITIES: The state may order more or less than the estimated quantity in the Request for Qualifications.

20. DISCLOSURE: Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

GENERAL REQUIREMENTS

The vendor shall purchase all media, marketing, and advertising materials required to provide services outlined in the Request for Qualifications.

The vendor shall purchase all media within timelines and budgets established by the OAL, and/or in a manner consistent with approved Creative Briefs and shall remain vigilant and responsive in preparing, negotiating, and implementing last minute incremental media plans especially when jackpots reach and/or exceed pre-determined thresholds.

The vendor shall not be reimbursed for fees of any unauthorized expenses or any expenses not previously approved by the OAL.

The vendor must adhere to and support the strategies set forth in the OAL's 5-year business plan.

The vendor must disclose any litigation or conflicts of interest to the OAL in writing within 15 days of occurrence.

The vendor shall provide at least one (1) dedicated staff member to manage the daily operations of the OAL Account and to act as a liaison between the OAL's Advertising & Marketing Director and the vendor.

Upon request by the OAL, the vendor shall replace any staff member assigned to the State's account. The vendor shall provide the OAL with a replacement having equal or higher qualifications and expertise than the staff member being replaced. The vendor shall provide the replacement in such a way that does not disrupt the daily operations of the OAL.

As requested by the OAL, the vendor and/or the dedicated staff member assigned to the OAL account shall attend planning and follow-up meetings at the OAL offices in Little Rock, Arkansas.

The vendor and/or the dedicated staff member assigned to the OAL account, shall participate in conference calls as requested by the OAL, and shall communicate with the OAL as needed. Daily communication is typically required for effective account management.

The vendor and/or the dedicated staff member assigned to the OAL account shall participate in strategy development to ensure the strategies are consumer driven and in accord with the OAL's 5-year business plan, mission, and vision.

As standard advertising practice, and/or per the OAL's discretion or approval, the vendor and/or the dedicated staff member assigned to the OAL account shall track the results of all comprehensive advertising, marketing, public or government relations campaigns implemented. The vendor shall provide the OAL with the tracking results in the Post Campaign Report.

If requested, the vendor and/or the dedicated staff member assigned to the OAL account shall analyze, propose, and/or conduct market research to gain consumer insights that will drive the strategic direction of the ASL.

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The vendor and/or the dedicated staff member assigned to the OAL account shall assist the OAL in developing ASL game names, product logos, or other art that may be requested by the OAL.

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