

Maryland Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 25, 2024

AGENDA ITEM: **Contract Modifications for Each Advertising, Marketing, Media and Related Services Contract (#2018-07) (I and II)**

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: The Agency has two contracts for Advertising, Marketing, Media and Related Services. Functional Area I includes Creative Development and Production Services with Gray, Kirk/VanSant Advertising, Inc. (GKV) and Functional Area II includes Media Planning and Buying Services with 9Rooftops (formerly MARC USA, LLC). The Not to Exceed (NTE) amounts for the 3-year base term (5/1/2019 to 6/30/2022) and the previously exercised 2-year Renewal Option (7/1/2022 to 6/30/2024) are as follows:

GKV – FA I: \$26,040,000 (3 Years Base Contract + 2 Year Renewal Option)
9Rooftops – FA II: \$78,940,000 (3 Years Base Contract + 2 Year Renewal Option).

The Contracts also include a 6-Month Final Renewal Option, but these Contract Modifications do not affect that 6-Month Final Renewal Option.

While the Agency was developing a new RFP for these services, a decision was made to enter into discussions with Maryland Public Television's Maryland State Advertising Agency (MSAA) to determine whether MSAA could provide all or some of the required services that would otherwise fall within this new Advertising RFP.

After meeting with MSAA and considering what they could provide, the Agency decided to proceed with issuing the RFP as originally developed. At this point in time, there is insufficient time to issue, evaluate, and award a contract(s) under the new RFP before the 6/30/2024 expiration date of the existing Contracts.

After consulting with the Department of General Services, the Agency is seeking a Contract Modification for each Contract to extend their terms to 6/30/2025. This will allow the RFP process to proceed and permit the Contracts to terminate at the end of the fiscal year, which simplifies administrative functions of the Agency.

The Agency is requesting approval to extend each advertising Contract (Functional Area I and Functional Area II) with associated increases to each Contract NTE for the 12-month extension as follows:

GKV – FA I: \$5,208,000 (12-Month Extension)
9Rooftops – FA II: \$15,788,000 (12-Month Extension).

Adding this 12-month extension for each Contract raises the entire NTE of each Contract to:

GKV – FA I: \$33,852,000	(3 Years Base Contract + 2 Year Renewal Option + 12-Month Extension + 6 Month Final Renewal Option)
9Rooftops – FA II: \$102,622,000	(3 Years Base Contract + 2 Year Renewal Option + 12-Month Extension + 6 Month Final Renewal Option)

The 6-Month Final Renewal Option in each Contract remains unaffected by these Contract Modifications and will be available for the Agency to exercise if needed to transition to a new Contractor(s).

Subject to Commission approval, these Contract Modifications will be submitted to the Department of General Services for inclusion on the next available BPW Agenda.

COMMISSION ACTION REQUIRED/REQUESTED: Discussion, consideration, and possible action.

STAFF RECOMMENDATIONS: Staff recommends approval.