ADDENDUM NO. 3 TO ALL OFFERORS:

Reference: RFP 13357DH

Commodity: Experiential Marketing

Dated: **July 16, 2026**

This addenda was released to answer all second round questions received in regards to RFP 13357DH

1. Incumbent contract value and actual expenditures
Please provide the contract number, original award amount, current not-to-exceed contract value following all renewals and amendments, and actual expenditures by fiscal year for the current experiential marketing contract with RedPeg.
To the extent available, please separate expenditures for agency/account management, creative and strategy, event staffing, warehousing, transportation and vehicles, livestream production, reporting technology, physical production, premiums and other pass-through expenses. If exact amounts cannot be provided, please provide applicable spending ranges and the relevant eVA award or contract reference numbers.

- This information can be provided upon request via direct message with the Contract Officer listed on the solicitation.

2. Estimated value of the new contract
What is the Lottery's estimated annual expenditure and estimated total value for the initial four-year contract term?
Is there an established annual budget, appropriation, maximum contract amount or not-to-exceed value anticipated for the resulting contract?

- No, there is not a maximum contract amount. Future expenditure levels are unknown and are dependent on proposals received and follow-on negotiations.

3. Minimum volume and revenue commitment
Will the resulting contract include any minimum guaranteed amount of work, minimum annual spend or minimum number of event days?
If no minimum is guaranteed, should Offerors treat all pricing quantities as estimates used only for proposal evaluation?

- There are no minimum guarantees. The workload numbers provided in the RFP are estimates based on how the Lottery envisions the program.

4. Pricing-sheet quantities
Please confirm whether each quantity included in the revised pricing sheets represents:

- one contract year;
- the initial four-year contract period;

- the maximum seven-year period; or
- a hypothetical quantity used solely to establish an evaluated proposal price.

Please also confirm whether the Lottery will calculate a single total evaluated price by multiplying each proposed unit price by the corresponding estimated quantity.

- One contract year. The evaluated price will be based on the Total Cost listed in the pricing schedule provided in Addendum 2.

5. First-year ramp-up
The addendum states that the Lottery intends to scale back toward approximately 200 live event days and that the first event will occur no earlier than January 2027. Please provide the estimated number of event days anticipated during:

- January through June 2027;
- the first full 12 months of performance; and
- a mature program year once the program reaches its intended scale.

Please also confirm whether "200 live event days" counts each day of a multi-day event separately.

- This is unknown at this time, events may contain multiple event days

6. Warehouse vehicle listing correction
The response to Question 8 appears incomplete and states that the warehouse must accommodate an "F-250, F-150, and two," without identifying the remaining two vehicles.
Please provide the complete number, type, approximate dimensions and ownership of every Lottery-owned and contractor-provided vehicle that must be stored at the Richmond warehouse.

- The Lottery owns a Ford F-250, Ford F-150, and two (2) 18 ft trailers.

7. Lottery-owned vehicles versus contractor-provided vehicles
Question 22 states that Lottery-owned vehicles may be used by the contractor with the Lottery's approval, while Question 111 states that vehicles will not transfer and the Offeror is responsible for providing vehicles.
Please clarify:

1. Which Lottery-owned vehicles will be available for contractor use?
2. Whether the Offeror must price all required vehicles regardless of the potential availability of Lottery-owned vehicles.

3. Whether the F-250 and F-150 referenced in Question 8 are Lottery-owned.
4. Whether the required trailer is Lottery-owned or must be provided by the contractor.
5. Whether use of Lottery-owned vehicles is guaranteed or discretionary.

- Contractor can use Lottery-owned vehicles, all other vehicles must be provided by the Contractor.

8. Transition of inventory and assets
Please provide the anticipated transition schedule for transferring Lottery-owned assets from the incumbent's warehouse to the awarded contractor's warehouse. Please clarify:

- who will pack and load the inventory;
- who will provide transportation;
- who will pay transition and freight costs;
- whether the new contractor must provide labor during the transition;
- when warehouse access must be operational;
- whether asset condition will be documented jointly;
- whether the Lottery will identify which assets are Lottery-owned versus incumbent-owned before award.
- **Response:** Contractor is responsible for all activities to remove inventory from old warehouse to new warehouse. The cost to move inventory will be treated as a passthrough cost with no markup and will be determined post award.

9. Asset replacement value and contractor liability
Because the contractor is responsible for Lottery-owned assets in its possession, please provide the approximate total replacement value of the inventory, event equipment, premiums, selling equipment and other assets expected to be stored or transported.
Please also confirm that the contractor will not be responsible for:

- ordinary wear and tear;
- pre-existing damage documented during transition;
- latent defects;
- equipment failure unrelated to contractor negligence;

- losses caused by Lottery personnel or other Lottery contractors.
- **Response:** The total replacement value is unknown at this time. It is confirmed the Contractor will not be responsible for the items listed above.

10. Selling-event financial and security responsibilities

The addendum states that between approximately 25% and 50% of events may involve sales and that contractor personnel may independently handle Lottery products, cash and terminals.

Please clarify:

1. Will the contractor become the retailer of record?
2. Will the contractor receive or retain retailer commissions?
3. Who bears responsibility for cash shortages, counterfeit currency, missing tickets, unaccounted scratchers or terminal reconciliation discrepancies?
4. What is the expected maximum value of cash and active Lottery products that could be held at one event or overnight?
5. Who will supply safes, cash drawers, counterfeit-detection equipment and secure cash-transport materials?
6. How and when must event proceeds be deposited or remitted?
7. Are armored-car or secure courier services ever required?
8. Are crime, employee-dishonesty, fidelity bond or cash-in-transit insurance coverages required?

- The Lottery is evaluating the operational, financial, and security requirements associated with selling events and will establish the applicable procedures and responsibilities prior to implementation. Any requirements affecting contractor performance, including handling of Lottery products, cash management, reconciliation, equipment, secure transport, or insurance, will be addressed with the awarded Contractor as part of implementation planning.

11. Staff background checks and fingerprinting

Please clarify:

- whether the Lottery pays for fingerprinting and background investigations;
- the expected turnaround time;
- whether credit and tax-record checks apply to all field personnel or only personnel handling sales, cash or Lottery products;
- whether personnel may work non-selling events while clearances are pending;

- how frequently clearances must be renewed;
- whether an unfavorable credit result automatically disqualifies an applicant;
- whether the contractor may submit a larger bench of prequalified personnel in advance.
- **Response:** Contractors will not pay for background checks. All staff working on the Lottery account must complete a background check conducted annually. Disqualification due to a failed background check are at the discretion of the Lottery. Offerors may submit employees for background checks ahead of event assignments. If an employee does not work on the account for a period of 90 days or more, they will require an updated background check.

12. Event scheduling, cancellation and weather
What minimum advance notice will the Lottery typically provide for an event assignment?
Please establish how costs will be handled when an approved event is:

- cancelled;
- postponed;
- shortened;
- relocated;
- affected by severe weather;
- cancelled after staff, vehicles, lodging or production have been committed.

Will noncancelable and already-incurred costs remain billable? Will minimum staffing call times apply?

- For cancellations with 48 hours or more of advance notice to the awarded Contractor, no event specific costs (to included staffing) may be invoiced unless approved by the Lottery. If an event is cancelled or altered with less than 48 hours notice to the awarded Contractor, the Lottery will pay only exact costs incurred for the event plus staffing for the anticipated amount of hours that would have been worked.

13. Cloud and cybersecurity standards
The addendum states that the Lottery's cloud-security standards will be provided during negotiations. Because those standards may materially affect platform selection, insurance and pricing, can the Lottery provide its applicable cybersecurity questionnaire or minimum cloud-hosting requirements before proposals are due?
Please identify whether the proposed system must have any of the following:

- SOC 2 certification;
- independent penetration testing;
- multifactor authentication;
- encryption-at-rest requirements;
- specific backup and disaster-recovery standards;
- cyber-liability insurance;
- vulnerability-scanning requirements;
- accessibility compliance;
- defined recovery-time or recovery-point objectives.
- **Response:** The Lottery is unable to identify these at this time as it is dependent on the proposed solution and the data elements stored within the system. If additional terms and conditions need to be added, additional costs can be negotiated with the awarded vendor at that time.

14. Reporting-platform requirements and intellectual property
Please clarify:

1. The estimated number of Lottery users requiring portal access. **3-5**
2. The required data-retention period. **Records retention requirements are established by the Library of Virginia. Offerors should review the applicable Library of Virginia records retention schedules to determine the requirements applicable to the proposed solution.**
3. The estimated annual volume of photographs and videos. **Uknown but Offerors should assume the volume will be reasonable and not excessive based on the anticipated event activity.**
4. Whether field users require offline mobile functionality. **This is up to the Offeror as long as reporting is provided to the Lottery within 72 hours of the event ending.**
5. Whether the Lottery expects real-time dashboards or only updates within 24 hours. **Reporting should be provided to the Lottery within 72 hours of the event ending.**
6. Whether the portal must comply with WCAG or other accessibility standards. **Offeror shall ensure that all proposed solutions, software, and system adhere to applicable laws and regulations.**

7. Whether pre-existing contractor software, templates, code and proprietary reporting methodologies remain the contractor's property. **Yes, however anything developed specifically for the Lottery and the Lottery's data remain property of the Lottery.**
8. Whether the Lottery requires ownership of the underlying platform or only ownership and exportability of Lottery data and custom deliverables. **Lottery requires ownership of only Lottery data and custom deliverables.**
9. What transition or data-migration services will be required at contract expiration. **Please see Section I of the Special Terms and Conditions**

15. SWaM evaluation methodology
SWaM participation is worth 10 evaluation points. Please clarify how those points will be assigned.
Will the Lottery evaluate:

- the percentage of anticipated contract dollars committed to certified SWaM firms;
- the number of participating SWaM firms;
- the significance of the work assigned;
- whether the Offeror itself is SWaM-certified;
- enforceable subcontracting commitments;
- past performance involving SWaM participation?

Is there a target or preferred percentage of total contract dollars that the Lottery would like Offerors to commit to certified Virginia SWaM businesses?

- No, there is no target percentage. SWaM points will be awarded based on the extent of certified SWaM participation proposed. Please see below for additional details.

The Offeror's proposed dollars being provided to a DSBSD certified SWaM company is divided by the Offeror's total proposed price. The quotient is then multiplied by the points assigned for the criteria to determine the evaluation points to be assigned.

$$\frac{\text{Amount of proposed dollars estimated to go SWaM}}{\text{Offeror's Price}} = \text{\% Factor X Points Available} = \text{Points Assigned}$$

Offeror Price	Amount of proposed dollars estimated to go to SWaM / Offeror's Price	=	Points % Factor	x	Points (10)*	=	Assigned
A $152,500	15,250 / 152,500	=	10	x	10	=	1
B $158,000	26,800 / 158,000	=	17	x	10	=	1.7
C $166,350	43,251 / 166,350	=	26	x	15	=	2.6
D $177,600	95,904 / 177,600	=	54	x	15	=	5.4

If the Offeror is a DSBSD-certified SWaM company then it will be awarded the full amount of points available.

16. Price escalation

Please identify the exact price-escalation provision that will govern the resulting contract, including:

- when the first adjustment may occur;
- which published index will be used;
- whether there is an annual cap;
- whether decreases are mandatory;
- how wage-law increases will be addressed;
- whether warehouse rent, insurance, software, vehicle leases and other third-party costs may be adjusted separately;
- whether renewal-year adjustments must be requested a certain number of days in advance.
- **Response:** This can be negotiated at time of renewal

17. Dedicated startup costs and termination for convenience

The contractor may be required to secure a Richmond warehouse, vehicles, wraps, equipment, software and other dedicated resources. If the Lottery terminates the contract for convenience or elects not to renew it before those approved costs have been fully amortized, will the Lottery reimburse the contractor for the remaining unamortized portion of pre-approved, Lottery-specific startup or capital costs?

May Offerors separately identify startup costs and proposed amortization schedules in their pricing responses?

Startup costs will not be reimbursed separately; however, any applicable termination costs may be addressed negotiated if termination occurs at time of termination

18. Additional required insurance
In addition to the insurance requirements expressly listed in the RFP, will the awarded contractor be required to carry any minimum limits for:

- cyber liability;
- crime or employee dishonesty;
- fidelity bond;
- warehouse legal liability;
- inland marine or cargo;
- property of others in the contractor's care, custody or control;
- hired and non-owned automobile liability;
- umbrella or excess liability?
- **Response:** All insurance requirements are listed in the RFP in terms and conditions section.

19. Pass-through expenses and production management
Please confirm whether the revised pricing provisions permit the following to be billed as approved pass-through expenses:

- fabrication and printing;
- freight and delivery;
- event permits;
- event electricity;
- internet and hotspot service;
- parking and tolls;
- sponsorship and exhibitor fees;
- equipment rentals;
- venue labor;
- rush charges;
- overnight shipping;
- lodging;
- replacement vehicle rentals.

Where physical production must be billed without markup, may the contractor bill separately for approved production management, procurement, quality control, installation supervision and vendor coordination through the applicable labor or management rates?

- Please refer to the updated pricing schedule in Addendum 2.

20. Existing staff transition
The addendum states that the awarded contractor would need to negotiate with the incumbent concerning incumbent personnel. Please clarify whether the Lottery will:

- provide contact information for currently assigned Market Managers and Brand Ambassadors;
- facilitate an introduction after award;
- permit the new contractor to recruit incumbent field personnel directly;
- require any minimum transition or retention plan;
- provide historical performance information for those individuals.
- **Response:** The Lottery will not provide contact information for incumbent personnel. The awarded Contractor will be responsible for recruiting, hiring, and managing its own employees to perform the required services.

21. Section 20 contains estimated quantities of 2,200 Brand Ambassador hours, 3,000 Market Manager hours, and estimated quantities for virtual events. Are these estimates intended to represent annual estimated quantities or the total anticipated quantities over the initial four-year contract term?

- Annual

22. Does the estimated quantity of four (4) days for the Additional Transport Vehicle represent an annual estimate or the total anticipated quantity over the initial four-year contract term?

- Annual

23. For evaluation purposes, should Offerors identify all proposed subcontractors within the Technical Proposal, including qualifications and assigned responsibilities, in addition to listing them under the Contractor/Subcontractor License Requirement section?

- Yes. Offerors should identify all proposed subcontractors in the Technical Proposal and describe each subcontractor’s anticipated responsibilities, qualifications, and role in performing the required services as stated in the RFP.

Virginia Lottery | 600 E. Main St. | Richmond, VA 23219 | ph: 804.692.7100 | fax: 804.692.7102 | valottery.com

24. Will subcontractors be evaluated as part of the Offeror's demonstrated experience and qualifications under the Technical Proposal evaluation criteria?

- Offerors shall submit experience and qualifications of its proposed team to demonstrate its ability to perform the services outlined in the RFP.

25. The revised pricing sheets reference creative and non-creative virtual events. Can the Lottery confirm that the updated pricing sheets supersede all quantities contained in the original RFP wherever differences exist?

- Please review the updated pricing schedule in Addendum 2

Davonia Holland

Davonia Holland
Strategic Sourcing Specialist